FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,055 Friday April 22 1983 D 8523 B

Saudi Arabia budgets for an oil price recovery, Page 4

NEWS SUMMARY

GENERAL

We keep Golan, insists Begin

Premier Menahem Begin insists that Israel will never give up the Golan Heights, captured from Syria in 1967.

Israel effectively annexed the district in December 1981, when it was put under Israeli law.

Mr. Begin's statement, made in Tel Aviv, goes against hopes expressed by President Reagan last week that the US peace initiative could be expanded if territory occupied by Israel would be given up.

In Israel yesterday there were calls to withdraw in Lebanon to the Awali River, following the death of two officers in clashes with Palestinians. Another Israeli soldier and four guerrillas were also killed. Page 20

Harder Soviet line

Soviet military commentator said France's decision to modernise its armed forces would harden Moscow's attitude to arms limitation talks with the U.S. and would be an escalation of the arms race.

Iranian casualties

Iran said 15 civilians had been killed and more than 100 injured by Iraqi shelling of the town Dezful. Iran said pro-Iranian saboteurs planted two car bombs in Baghdad which killed and injured several people.

Neutral inquiry call

West German opposition Social Democrat MPs called on Chancellor Helmut Kohl to ask a neutral nation to investigate the Berlin death of a West German under interrogation by East German border police.

Warning by Soares

Campaigning for Portugal's general election on Monday, Socialist leader Mario Soares warned that the country's living standards would have to fall for two or three years if external payments problems were to be corrected. Page 3

Suicide claim

El Salvador Left-wing guerrilla leader Salvador Cayetano Carpio committed suicide on hearing of the killing of his deputy, said the Interior Ministry.

S. African shooting

South African police said that a Portuguese, Orlando Oristina, who is believed to have been one of the leaders of the Right-wing guerrilla movement in Mozambique, had been shot dead in Pretoria.

Dissident held

Former Soviet human rights activist Naum Meiman, 72, was held by KGB security men and detained for questioning at the Moscow prosecutor's office, said his wife.

Bare-cheek protest

Maori Te Ringu Mangu Mihaka, who described himself as a political agitator, has admitted lifting his grass skirt and baring his bottom at Prince Charles and Princess Diana in Wellington, New Zealand, but pleads not guilty to offensive behaviour.

Falklands ban

UK Ministry of Defence said the navy would turn back any ship carrying relatives of Argentine war dead if it tried to enter the Falklands 150-mile zone without permission. Negotiations on a visit are going on through the Foreign Office.

Briefly...

Telemaco Borba, Brazil: Fire in the Klabin paper mill killed five.

Manila: Bus-lorry collision killed 15.

BUSINESS

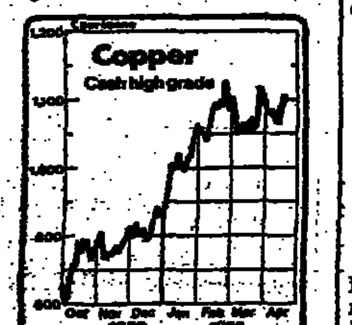
British public debt over target

● *UK GOVERNMENT has been embarrassed to find that public-sector borrowing in the financial year just ended was £9.2bn ($14.2bn) – £1.7bn more than estimated by the Treasury when the Budget was presented on March 15. Many analysts believe that 1983–84 borrowing targets are already too tight.* Page 20

● DOLLAR fell to DM 2.4555 (DM 2.459), FFr 7.3625 (FFr 7.3725), SwFr 2.063 (SwFr 2.067) an Y236.4 (Y237.25). Its trade-weighted index fell from 122.9 to 122.6. In New York, the dollar closed at DM 2.4555; FFr 7.3575; SwFr 2.0645; and Y236.45. Page 44

● STERLING dropped 80 points to $1.5435, and to DM 3.7925 (Dm 3.8125), FFr 11.38 (FFr 11.4225), SwFr 3.1875 (SwFr 3.205), and Y365 (Y368). Its trade weighting fell from 83.6 to 83.1. In New York, sterling closed at $1.545. Page 44

● GOLD rose $3 in London to $437.5, by $5.25 in Frankfurt to $438.5, and by $5.75 in Zurich to $439.5. In New York, the Comex April settlement was $435.6 ($438.8). Page 41



● COPPER prices in London were lifted by further Chinese buying, and the high-grade cash price closed £13 up at £1,106 ($1,707) a tonne. Page 41

● WALL STREET: Dow Jones index closed 3.20 down at 1,188.27. Page 37. Full share listings, Page 38-40

● LONDON: FT Industrial Ordinary index rebounded by 13.8 to 692, but Government securities showed some marginal losses. Page 37. FT Share Information Service, Pages 42-43.

● TOKYO: Nikkei Dow index dropped 21.42 to 8543.06, and the Stock Exchange index eased 1.3 to 621.12. Report, Page 37, Leading prices, Page 40.

● CHINA'S 115m urban workforce *is to have a pay rise of about 8 per* cent, and the Government will press workers to buy national bonds. Page 4

● ARGENTINA'S central bank has revealed a commitment to reduce its balance of payments deficit, $4.9bn in 1982, to $0.5bn this year

● FRENCH dockers called a nationwide pay strike next Saturday and Sunday.

● DOW CHEMICAL revealed first-quarter net income 55 per cent down at $69m, but is confident of dramatic second-half improvement. Page 21. Dow to build plant in Bilbao, Page 2

● ALCOA, world's biggest aluminium producer, reported a first-quarter loss of $14.3m (1982: $43.8m income). Page 28

● APPLE COMPUTER lifted second-quarter earnings 73 per cent to $23.9m. Page 21

● MARSH AND MCLENNAN of the U.S., world's largest insurance broking group, reported first-quarter net *income 5 per cent* up at $36.5m.

● R. J. REYNOLDS, U.S. tobacco major, reported first-quarter net income 14 per cent down at $159m.

● TEXAS INSTRUMENTS' first-quarter net income was 74 per cent *down* at $27.7m.

BIS chief in warning on interbank lines

BY ALAN FRIEDMAN IN LONDON

DR Fritz Leutwiler, president of the Bank for International Settlements (BIS) and the Swiss National Bank, has told bankers that he is concerned about the way in which central banks have been pressing commercial banks to restore sensitive interbank credits to major debtor countries such as Brazil.

Dr Leutwiler, who has been one of the key participants in all the major country debt rescue packages, met British bankers in London last week and made his point during a private meeting attended by officials of the Bank of England.

He is understood to be worried about the role of central banks in trying to persuade commercial banks to provide the bank-to-bank deposits to debtor countries because of his belief that this is an inappropriate role for the central bank authorities to play.

Interbank credits are short-term bank-to-bank deposits that are crucial to the smooth functioning of the world banking system. They can be as short-term as overnight, and can range in maturity up to one year. The interbank system enables banks to dispose temporarily of excess liquidity by placing it on deposit with other banks.

A number of bankers have argued privately that to force the supply of interbank credits to debtor-country banks amounts to a subversion of the global $1,000bn interbank system, which is predicated on flexibility and very short-term deposits.

The BIS itself this week released 1982 statistics which showed a slowdown in *growth in interbank* lending during the fourth quarter of last year. Interbank business in that quarter grew by $20bn, much lower than the *$49bn recorded for the* third quarter and less than a third of the $63.5bn interbank lending growth during the fourth quarter of 1981.

According to London-based bankers, Dr Leutwiler said he felt central banks were going too far in becoming involved *in the delicate* area of interbank line restoration. The BIS president's remarks are surprising because it has been accepted by many in the banking community that restoring interbank credits to hard-pressed sovereign borrowers is a vital part of solving international debt problems.

Earlier this week, a London meeting of key bank creditors and Brazilian central-bank officials launched a worldwide campaign to restore $1.5bn of interbank lines to Brazil as part of the rescue for the country. The Brazilian meeting was attended by both Bank of England and Federal Reserve Board of New York observers.

Continued on Page 20

Nigeria and IMF in preliminary talks

BY QUENTIN PEEL, AFRICA EDITOR, IN LONDON

NIGERIA has expressed interest in reaching agreement on an economic recovery programme backed by the International Monetary Fund (IMF), following initial discussions in Lagos on economic policies to tackle its current foreign exchange crisis, according to high-level banking officials.

However, no specific policies have yet been spelled out, and the Nigerian Government is understood to be adamant that devaluation of the naira would be totally unacceptable in any policy package.

The decision to invite the IMF for discussions, the first round of which took place in Lagos last week, represents a reversal of previous Nigerian Government hostility to any arrangement.

Bankers in London and Lagos believe *it was reached because of the* refusal of many international banks – especially those from the U.S. – to agree to any commercial loans without an initial approach to the Fund.

President Shagari announced on Tuesday that Nigeria was seeking up to $2bn in foreign loans to help reduce its huge backlog of short-term trade debts – unofficially estimated at $5bn or more – and persuade banks to resume opening letters of credit to cover imports.

The Nigerian balance of payments has been heavily in deficit for the past two years because of the decline in its oil production as a

Continued on Page 20

British exporters collect nearly £600m in bad debt insurance

BY CHRISTIAN TYLER, WORLD TRADE EDITOR, IN LONDON

FINANCIAL crises and bankruptcies in Britain's export markets have led to a record payment of nearly £600m ($926m) in insurance claims by the Export Credits Guarantee Department.

The claims total, a provisional estimate for the year to March 31, published yesterday, is nearly double last year's and has stripped the department's cash reserves of nearly £200m, to stand at only £284m.

The department is likely to run into deficit on its commercial account in the current year and, with the prospect of serious problems in Latin American markets to come, could eventually go entirely into the red for the first time in 30 years.

Insurance premiums on short-term cover, where the bulk of the department's business is done, are to be raised by 5 per cent across the board from July 1. Exporters with the worst claims records will pay a further 10 per cent increase and their cover against buyers' bankruptcy or default will be reduced from 90 per cent to 75 per cent.

A temporary premium surcharge of up to 50 per cent may be levied for markets where there are "exceptionally high" political risks.

The ECGD runs two accounts, the commercial and "national interest" account. Ironically, the latter, designed to cover risks not considered commercially worth accepting, has performed better and has cash reserves of £186m.

It has already been used recently to tide the commercial account over, and will be drawn on again. If the reserves run out altogether, the ECGD will borrow on its account at the Bank of England, and is confident that it could service the loan as repayments flow in. An official stressed yesterday that the department would not become a charge on taxpayers.

Last year's record claims are due to bad debts in Poland, where the ECGD is exposed to £1bn, in Argentina, Romania and African markets such as Nigeria, the Sudan and Zambia. Some claims are still being paid on Turkey and Iran.

The amount of money at risk stood at £25.5bn at the end of the 1981–82 financial year.

Other countries' export credit insurers have been driven into the red in recent years and many have raised their premiums. The ECGD, which is anxious not to lose customers, said yesterday its new rates were the minimum necessary and would still be "broadly competitive" with those of other countries' agencies.

Officials were taking a sanguine view of the figures, and spokesman said they represented "a bargain year for British industry – probably the best in the history of export credit insurance."

The department received premium income of £250m, a slight advance on the previous year, and recovered £109.3m, compared with £80m the year before. Present premium rates on short-term cover range from under 0.4 per cent to over 2 per cent, with an average of 0.5 per cent. They were last raised in July 1982.

Political risks cost the ECGD £360m in claims, compared with only £30m seven years ago.

BP plan to order oil-drilling tankers

BY RAY DAFTER, ENERGY EDITOR, IN LONDON

BRITISH PETROLEUM is on the verge of ordering a unique oil-producing tanker capable of exploiting small North Sea oil fields.

It is expected that the company will seek worldwide tenders from shipyards capable of building the vessel. Costing between £50m and £100m ($155m), the tanker will be *used to produce oil through a single* well in much the same way as an offshore production platform.

The recovered oil will be stored in the ship's tanks. When full, the tanker will raise its production pipe and sail to a nearby oil terminal for unloading.

Although BP will not comment on its plan, it is known that the company has been discussing proposals with the Energy Department.

British Government officials expect the tanker – dubbed Single Well Oil Production System (Swops) – to be used in producing oil from as yet unnamed BP oil discoveries in the North Sea. These fields are probably too small to be exploited commercially by more conventional platforms or floating systems.

BP has been developing its Swops concept since early 1980. Detailed design work has been undertaken by V O Offshore, a design subsidiary of British Shipbuilders. V O Offshore has concentrated on new production systems and underwater technology.

It is expected that Swops will be able to produce up to 15,000 barrels a day, that contrasts with the *522,000 b/d peak rate of production* in BP's big Forties Fields.

The Swops vessel will probably be able to store at least 50,000 tonnes (366,500 barrels). That means that BP will be able to maintain production for about three to four weeks before it needs to discharge its crude. It is possible that BP may opt to unload its produced oil into another tanker so that its Swops unit can remain above the oilfield for longer periods.

BP had originally considered converting a conventional oil tanker at *a cost of between £25m and £50m.*

Shell destocking, Page 16

Chrysler reports record earnings

By Richard Lambert in New York

CHRYSLER Corporation, the third largest U.S. motor manufacturer, which has struggled back *from the brink of bankruptcy* in the last two years, made the highest after-tax profit of any quarterly period in its history during the first three months of 1983. Its net income totalled $172.1m, or $1.97 a share, which was higher than Wall Street had been expecting.

In the corresponding period of 1982, Chrysler reported an operating loss of $97.5m. However, a profit on the sale of its defence division left it with net income of $149.9m.

As with General Motors, which on Wednesday reported a big quarterly profits gain, Chrysler's strong performance in the period was based on a sharp rise in factory sales of its cars to dealers. Worldwide factory sales of Chrysler vehicles in the three months rose by nearly a fifth, to 354,286, and factory sales of cars in the U.S. jumped by a third to 238,421 units.

However, this increase has not yet been matched by an upturn in demand from the public. Chrysler's retail car sales in the U.S. during the three months were up by less than 4 per cent at 209,269.

Mr Lee Iacocca, the group's chairman, said: "Chrysler has cut costs, become more efficient and managed a solid operating profit, even in this weak market. The annual rate of car sales in the U.S. in the first quarter was only 8.3m units. This does not signal a strong recovery."

Net sales in the quarter rose from $2.5bn to $3.1bn. Because of the slight increase in retail sales, dealers had 52 days' supply of cars on hand at the end of March.

Lloyd's may ban Minet if U.S. group lifts stake

BY JOHN MOORE, CITY CORRESPONDENT, IN LONDON

MINET HOLDINGS, a large British insurance broker, may not be allowed to place business in the Lloyd's insurance market if an American insurance company with a 25 per cent holding decides to increase its stake.

The warning has been given by Lloyd's chairman, Sir Peter Green, and is likely to spark off a major row within the transatlantic insurance community.

Sir Peter yesterday wrote to Minet's chairman, Mr Raymond Pettitt, after Minet had asked about the current attitude of Lloyd's to the ownership of Lloyd's brokers by insurance companies.

Minet sought its clarification after The St. Paul Companies, a major U.S. insurance group, purchased a further 5 per cent block of shares, building up its stake in the British broker to 24.98 per cent.

Mr Simon Arnold, Minet's deputy chairman and managing director, said: "We are not surprised by Lloyd's reaction. We have merely transmitted contents to St Paul."

In Minnesota, headquarters of The St Paul group, executive vice-president Mr Douglas Leatherdale said yesterday: "We have no comment to make at this stage. I have only just heard about the letter and I will be studying it."

In London yesterday stockbrokers which had purchased the shares for The St Paul were furious with the Lloyd's move. In his letter Sir Peter Green tells Mr Pettitt, who is opposed to any takeover, that the question of insurance companies owning brokers had been discussed some years ago.

"So far as I know," says Sir Peter, "this matter was first considered when Sir Henry Mance was chairman (of Lloyd's) and the Excess Insurance Company was considering buying C.E. Heath."

That deal was contemplated in 1968 with Excess attempted to take over Heath, another major Lloyd's broker.

At the time the Lloyd's committee, it is understood, felt there was a danger of the parent insurance company receiving preferential treatment from its broking company in the placing of business.

Sir Peter says: "The committee's view at that time was that they did not wish Lloyd's brokers to be owned or controlled by insurance companies. At the time it was decided that any shareholding in excess of 20 per cent was unacceptable.

"The matter has been reviewed on several occasions by the committee of Lloyd's but no changes have been recommended."

Sir Peter continues: "There are... a number of Lloyd's brokers or groups which own Lloyd's brokers, where insurance companies have substantial shareholdings, but other than in one or two instances they do not exceed 20 per cent.

"Several of these insurance companies are American-domiciled but there are others in other parts of the world."

He says the position has not changed since he was asked by Minet to provide earlier advice on the purchase of shares by The St Paul, "namely that if St Paul purchased the whole or more than 25 per cent of Minet Holdings they might very well find that whilst they had purchased an insurance broker, it would be a broker who was not authorised to place business at Lloyd's."

The matter will be considered by a full meeting of the Lloyd's council on May 16.

Brussels in early call for more cash

By John Wyles in Luxembourg

THE European Commission plans to dramatise the EEC's growing financial crisis by making an unexpectedly early request next month for member governments to pump up to $1.86bn more into the community's 1983 budget.

This would be the first time since 1977 that major overspending in agriculture has prompted preparation of a supplementary budget so early in the year. But there is also a strong tactical aspect to the choice of timing.

The request for a big cash injection to Brussels will complete a trio of Commission proposals in May, focusing government and public attention on deepening financial problems. These will be:

● Presentation of the draft 1984 budget in which the Commission will outline how it wants to spend virtually all of the revenues available to the Community next year – about $25.7bn. Farm spending alone will see an extravagant increase from 1983 levels of about $14.7bn.

Accordingly the Commission will argue for the urgent adoption of its:

● Proposals for adding to EEC budget income principally by raising the 1 per cent ceiling on member states' value added tax payments to Brussels and by a tax on agricultural output, which will make those countries benefiting most from Common Agricultural Policy spending pay more towards its costs.

The case for an agricultural tax will be strengthened by:

● The supplementary 1983 budget which is vitally needed to meet a runaway 35 per cent rise in farm spending in the first four months of the year, compared to 1982. The budget will also seek to cover the £210m additional cost of the farm price package which the agricultual ministers are expected to adopt next Wednesday.

CONTENTS

EUROPEAN NEWS

Scant progress made on EEC coal strategy

BY JOHN WYLES IN LUXEMBOURG

THE BRITISH Government's doubts about whether its EEC partners are genuinely interested in boosting Community spending in the UK remained strong, after energy ministers made little progress here yesterday towards a strategy for the coal industry

As the largest Community coal-producer, Britain has been pressing recently for spending to benefit EEC production. It is looking for investment help for quick development, generous grants for redundancies and retraining payments, and subsidies towards the costs of maintaining pithead stocks.

Moves along these lines could help in a small way to reduce the huge imbalance between Britain's payments to and receipts from the Brussels budget. On the most optimistic assessment, the UK might benefit to the tune of Ecu 90m (£54m) against a total net payment to the EEC this year of Ecu 2bn.

Mr John Moore, Under-secretary at Britain's Department of Energy, claimed last night that some progress had been made in the sense that other member states had not objected to a request for European Commission proposals on the three areas of interest to the UK, plus an additional one designed to encourage coal consumption.

However, senior Commission officials thought the outlook was rather less constructive. They claimed that key proposals of direct benefit to the British already on the table were not making progress. But the Commission might try to produce suggestions next month on aid for coal stocks, for research and development into coal-use and, aid to foster intro-Community trade in steam coal.

Yesterday's discussion confirmed that the main coal-consuming member states, led by France, were reluctant to spend money on Community production when imported coal from diverse sources was cheaply available.

They stressed instead the need for moves to boost consumption—a clear sign that they want a share of any EEC spending on coal.

The British Government's anxiety to score concrete political and financial gains in the EEC before the end of May and, thus, before a possible June general election, was reflected by Mr Moore's desire yesterday to see Commission proposals of possible benefit to the UK produced before the end of May. This, he said, would enable the EEC summit at Stuttgart on June 6-7 to review progress

Ministers look to Brussels for farm solution

BY LARRY KLINGER IN LUXEMBOURG

MARATHON TALKS to set new guaranteed prices this year for the EEC's 8m farmers broke off in deadlock in the early hours yesterday despite an emerging majority among the ten member-states in favour of the European Commission's proposal for an average 4.2 per cent price rise. This would be one of the lowest in the past ten years.

The Council of Agriculture Ministers will now resume negotiations in Luxembourg next Wednesday in the hope that the Commission will have found a way to end the impasse between West Germany and France.

At immediate issue are French demands, strongly supported by Italy and in varying degrees by several others, for a substantial revaluation of West Germany's agricultural trading currency—the "green mark." At present this favours West German exports and places a levy on imports from the rest of the Community.

France and Italy maintain that the current position is undermining their own markets.

The problem for Bonn is that any revaluation would mean a corresponding cut in the eventual price rise. The Commission's proposals, which provide for a revaluation of around 3.4 per cent, would leave West German farmers with an overall price increase of only 1 per cent, with less for cereals and no rise at all for milk.

The problem is particularly acute for Herr Ignaz Kiechle, the West German Farm Minister who is also current president of the Council. Bonn has found itself acting as the "impartial" chairman of the Council while being seen as possibly blocking single-handedly a major piece of EEC business. So far, it also remains politically impossible for him to offer his farmers only a token price rise.

There i a real danger, however, that, without a quick agreement between West Germany and France, the growing consensus in favour of the Commission's overall price package could disintegrate.

Several countries have strong reservations about accepting the package. Italy and Ireland are still seeking a higher award, while Belgium is maintaining its insistence on a better deal for milk-producers.

If the Commission, which is strongly supported by Britain, can obtain a quick agreement, it will have scored an important victory.

Unprecedentedly, it has refused to increase its price proposals for any of the main commodities in structural surplus. It has also successfully defended its policy to impose lower increases for surplus commodities, such as milk and cereals.

There is, of course, an exceptional convergence of strong reasons for the ministers to resist adding their traditional 1-1.5 percentage points to the Commission's proposals. The growing strain on the EEC budget of subsidising exports of expanding surplus production on static world markets is threatening to leave little or no extra money for other EEC programmes.

Furthermore, EEC farmers have seen an average 9 per cent increase in their real incomes over the past year at a time of economic recession when many other sectors are experiencing a decline.

In any case, when the Commission's proposals, which are in European currency units, are translated into national currencies and take account of recent agri-monetary adjustments, the rises for several countries are considerably higher.

Britain, on the basis of the current proposals, would receive about 3.8 per cent on average. This would fit nicely with its desire to give farmers more than a token rise but at the same time to curb inflation. Food prices are estimated to increase by only 0.5 per cent and the cost-of-living index by one-tenth of 1 per cent.

Herr Kiechle . . . in an acute dilemma

Polish warning on bureaucrats' fight back

BY CHRISTOPHER BOBINSKI IN WARSAW

A POLISH GOVERNMENT report has called for firm policies to prevent the central bureaucracy from rebuilding its former dominant position which was undermined by economic decentralisation measures. The report has been prepared by the Government Reform Office, headed by Mr Wladyslaw Baka who holds ministerial rank, and it sums up the first year of the reform which started on January 1 1982.

It appears against the background of a running debate inside the Government on how far Poland's parlous economic situation permits decentralisation of decision-making and a freer play of market mechanisms.

Mr Janusz Obodowski, who heads the Planning Commission as Deputy Premier in charge of the economy has tended to opt for tighter central control at the expense of mechanisms laid down by the reforms. In recent weeks, the debate has spilled over into Parliament, as deputies have discussed economic plans up to 1985 prepared by Mr Obodowski's commission.

The report says that central ministries are having difficulty in distinguishing between reform mechanisms and "the temporary solutions imposed by the crisis" and are also complaining they are no longer able to steer the economy.

It also says that central government still has not dropped the habit of "issuing individual, as well as general, legally-binding decisions without actually having such powers delegated by Act of Parliament."

"As a result, decisions are being taken which are out of tune with the legal system introduced by the reform."

Work must be stepped up on reforming central government, says the report, and the functioning of offices such as the Planning Commission must be adapted to the new mechanism. Employment in the central administration last year dropped by 35 per cent, the report notes, but "demands by central ministries for a growth in the number of their employees are becoming more insistent."

Carrington urges more active role for Europe

By Bridget Bloom, Defence Correspondent

A PLEA for European nations to take a more active role in the political and military leadership of the Western alliance was made in London yesterday by Lord Carrington, the former British Foreign Secretary who resigned a year ago at the onset of the Falklands conflict.

Delivering the Alastair Buchan meorial lecture for the International Institute of Strategic Studies, Lord Carrington declared that the West now needed a new approach to East-West relations. Politically and militarily, the alliance was much healthier than its critics alleged. But it did lack a positive strategy for dealing with the Soviet Union, Lord Carrington said.

"The notion that we should face the Russians down in a silent war of nerves, broken only by bursts of megaphone diplomacy, is based on a misconception of our own values, of Soviet behaviour and of the anxious aspirations of our own peoples," Lord Carrington said, in one of several implied criticisms of the current U.S. leadership.

In another, Lord Carrington said that the West should not rejoice "too much or too soon" at the "manifest failure of the Communist model." The Soviet empire might be a decaying Byzantium, with rigor mortis setting in limb by limb but it would be a mistake to dramatise the pace or extent of this process, or of its political repercussions in the short term.

He called for Europe to build "cautiously but purposefully" a European slecurity consciousness, not as an alternative to the Atlantic partnership but as a complement to it. Lord Carrington also said Europe could do more at minimal cost to improve alliance military srtength by standardising equipment, rationalising arms production and specialising in military roles, such as Britain fulfilling a primarily naval role.

Britain also had an important role in developing a more sane and secure East-West relationship, the former foreign secretary said. Under its present leadership, Lord Carrington said in a rare tribute to Mrs Margaret Thatcher, Britain had the prestige and respect to make sure its voice was heard in the interests of "firmness and flexibility."

Dow plans $5.6m plant in Spain

By Carla Rapoport

DOW CHEMICAL, the U.S. chemical group which has been cutting back on overseas projects, plans to build a chemical plant in Bilbao, Spain.

It is understood to be worth more than $5.6m and will manufacture styrofoam and extruded polystyrene foam insulation, products used principally by the construction industry.

Dow is the world's leading manufacturer of extruded polystyrene. The company says the plant's output will be used mainly by Spanish companies, although plans are being made to export some polystyrene. The plant is expected to be in production by the end of 1984.

W. German reactor programme reprieved

By Jonathan Carr in Bonn

WEST GERMANY'S advanced nuclear reactor development programme seems to have been saved at the last moment with a new accord on funding.

Broad agreement appears to have been reached after tough negotiations between the Government and the electricity industry covering an extra DM 2.5bn (£656m) in costs. Without the agreement, finance would have been exhausted next month for both key projects—the fast breeder reactor at Kalkar and the high temperature reactor at Schmehausen.

No details have so far been announced on how the extra cost is being shared between Government and companies. But it is now expected that Herr Heinz Riesenhuber, the Technology Minister, will be able to recommend continuation of the full reactor programme to the cabinet within the next few weeks.

The cost of the two projects has constantly overrun estimates, and there has long been a tug of war between Bonn and private industry over who should pay what.

The fast breeder was originally estimated to cost DM 1.7bn when construction began in 1974, with a commissioning date in the early 1980s. Now the cost is expected to be more than DM 6bn with commissioning in 1987.

Construction of the 300 MW high temperature reactor began in 1972 and was expected to be completed in 1979 at a cost of DM 1bn. Now the cost is likely to be more than four times higher, with completion possible next year.

The previous centre-left Government argued that the reactor programme was eating up too great a share of the research budget, and that the private sector should boost its contribution.

Industry felt hesitant, not least because it noted strong opposition to the development of nuclear power within both the Government parties. This attitude has changed with the coming to office of Chancellor Helmut Kohl's centre-right alliance.

Coalition sets budget deadline

By Our Bonn Correspondent

THE West German Government has set itself an early deadline for accord both on big savings in the 1984 budget and on tax benefits for industry.

A government spokesman said it was planned to reach agreement during a meeting on May 18 and 19, so that the budget draft could be formally approved by the Cabinet by the end of June.

The object is to see that business confidence, which rose with the victory of the centre-right alliance in the March 6 election, is underpinned by quick policy accord in Bonn.

However, Dr Gerhard Stoltenberg, the Finance Minister, faces a major challenge as he seeks to pin down in less than four weeks just where the budgetary axe should fall.

Following the general election, the coalition parties quickly agreed that there should be no tax increases in 1984, and that net government borrowing should be held below DM 40bn (£10.5bn) (less than 3 per cent of GNP).

This implied that there would have to be budget savings in 1984 of around DM 6.5bn, at least partly through cuts in social benefits. Simultaneously, the Government has to make good its pledge to cut the tax burden on companies, thus helping encourage investment and create jobs.

Dr Stoltenberg's problems have been underlined by official estimates this week showing that tax revenue in the medium-term (to 1987) is likely to be far less than expected even a year ago.

The main reason is that economic growth prospects, and hence the probable tax intake, have been revised downwards in the meantime.

However, even the new estimates are based on an average annual rate of economic growth (in nominal terms) of close to 7 per cent from 1985-87—roughly double the rate expected for this year.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

French 5-year plan puts emphasis on updating industry

BY PAUL BETTS IN PARIS

THE MODERNISATION of France's industrial aparatus and the highest possible rate of domestic growth compatible with a balanced external position are among the main goals of the new five-year plan—the so-called "Ninth Plan"—unveiled yesterday by the Left-wing coalition Government of M Pierre Mauroy.

The guidelines will now become one of the central issues to be debated in the French parliament in coming weeks. After they have been approved, the National Assembly will consider during the autumn session some of the specific measures in the plan.

Although the Ninth Plan forms part of a long tradition of French long-term centralised economic and social planning, it also reads like a manifesto of socialist policies and ideals. And M Jean le Garrec, the new Secretary of State for the plan, used high rhetoric yesterday in presenting the 1984-88 guidelines. His opening words are: "One world dies, another is born."

The plan endorses the Government's economic strategy both for the long and the short term. For the short term, M le Garrec said, "economic rigour" was a necessity."

But he quickly added that rigour—the official word the French Government likes to use to refer to a programme of economic austerity—was not an end in itself.

In many respects, the new plan is a political document designed to re-affirm the loftier aims of socialist economic policies at a time when the Government is involved in an unpopular exercise of economic belt-tightening.

But for all this rhetoric, the plan itself is by past standards relatively modest and vague in its objectives. Indeed, Government planners appear to have adopted a cautious approach, steering clear of committing themselves to specific targets except to reiterate the economic aims of 5 per cent inflation next year and balancing the trade deficit over the next two years. M le Garrec also declined to say what were the broad parameters for economic growth anticipated by the plan over its five-year period.

Included in the plan are 12 priority programmes ranging from the modernisation of French industry and the development of new technologies to more efficient use of energy; improving French export techniques; enhancing employment; developing culture through communications; education; responding to the needs of decentralisation; modernising the French health system; improving the quality of urban life; justice; and security.

Legislative guarantees to underpin defence spending

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government is to provide legislative guarantees that its ambitious five-year programme to modernise the armed forces will not suffer from a shortage of funds.

This unusual step was announced by M Charles Hernu, the Minister of Defence, yesterday in a bid to quell doubts about the financing of the programme at a time of continuing economic difficulties.

M Hernu said the Government had agreed that "sacrifices would not fall on defence" and that commitments to introduce new equipment would be maintained.

The legislative guarantees are being provided in two ways. For the first time the law incorporating the five-year programme sets out the amount—FFr 830bn (£72.2bn) in current money—to be spent on defence in the 1984-88 period. No other government department is being treated in this way.

At the same time the law will contain a detailed timetable setting out dates for the delivery of major purchases for the nuclear and conventional forces.

The Government had agreed, M Hernu said, that these physical targets would be maintained at all costs. To this end, the National Assembly would assess at the end of 1985 where the programme stood before making further allocations.

The five-year plan provides for defence spending to rise by an annual average of 2 per cent in real terms. But it makes the optimistic assumption that inflation will be brought down from its current 9 per cent to 5-6 per cent throughout the period.

Thus, on the basis of France's present inflation rate, defence spending would decline in real terms instead of rising as the Government foresees.

M Hernu for the first time spelt out the circumstances in which France would use the Hades, the tactical nuclear missile which is due to come into service in 1992. He said it would be used to provide an "ultimate warning" to the Soviet Union before France made use of its strategic nuclear force. The Hades has a range of 350 km and thus can reach Warsaw Pact countries.

The minister revealed also that, over the period, France would cut its forces in West Germany by some 15,000 to 50,000. But he placed great emphasis on the additional mobility and firepower that will be provided for the First Army stationed in West Germany and for the new 50,000-strong mobile force.

M Hernu added that some 30 per cent of defence spending will go to the nuclear forces.

Unions may provoke foreign bank exodus from Greece

BY VICTOR WALKER IN ATHENS

FOREIGN BANKS in Greece, facing a confrontation with the trade unions, are quietly preparing contingency plans for a possible shut-down of their operations.

They fear that the Greek Federation of Bank Employee Unions (Otoe) plans first to unionise all foreign banks and then to establish a closed shop, depriving the management of the right to hire and fire.

The dispute has been building steadily since a six-week national bank strike staged last year by Otoe, the coordinating body of the unions formed in all Greek banks and in 12 of the 22 foreign banks with full branches.

One of the clauses of the settlement agreed by Greek banks at the end of the strike related to a uniform salary scale, based on seniority. Most of the smaller and more aggressive private Greek banks and the foreign banks use a system based on merit.

The agreement also required any bank without a union to set one up at once. Foreign banks did not sign the settlement, but the 12 banks already with unions were named in it. When these banks refused to be bound by an agreement they had not signed the Government-passed legislation enforcing the unionisation proposal.

The legislation, which will affect all banks, not just the 12 named ones may be challenged in court on constitutional grounds.

Pension funds

The foreign banks are also angry about government proposals about pensions funds. Early this year the Socialist Government, in a move to improve the national health system, formed a new auxiliary pensions fund and made it compulsory for all employees in Greece covered only by the national insurance foundation to join. Foreign bank managements duly placed their employees into the new state scheme.

Greek bank staff, however, have their own main and auxiliary funds, outside the national system. One of the latter is a scheme run by the Union of the Ionian and Popular Bank, Greece's third largest state-controlled commercial bank. The I and P auxiliary fund permits membership by staff of other banks, provided they belong to a union.

The foreign bank staff decided they wanted to be in the I and P fund, which offers benefits considerably superior to those available under the state scheme. Their managements, seeing this as the indirect establishment of the closed shop through the union membership requirement, refused on principle to enter into a long-term, open-ended commitment where financial control was in the hands of a third party, other than the state.

With one exception they started to deduct the required contributions for the state fund from the staffs' salaries, although those belonging to unions had been accepted by the I and P fund.

Otoe has now served notice on these banks that as their members have legally joined the I and P fund, the contributions to the state scheme are being withheld illegally. Under legislation dating from 1945, an employer who illegally deducts wages may be detained by police during investigation, leading a number of foreign banks officers to keep an overnight bag packed, just in case.

When Otoe threatened to strike over the funds dispute, the Government referred it to arbitration. A decision in favour of Otoe by the lower arbitration court is now being appealed against. Otoe says that if it wins the appeal too it will demand immediate implementation, regardless of any eventual appeal by the banks to the Council of State.

The foreign banks have found themselves embroiled in dispute only recently. The 22 with full branches and another 10 with representative offices are mainly British, American, Canadian, German, French, Dutch and Arab. They came to Greece in two waves, the first during the seven-year dictatorship and the second when it became clear that Greece would join the EEC. The second wave of banks are on the whole not yet unionised. They employ about 3,000 Greek staff, out of a total banking workforce put by Otoe at close on 40,000.

Review board call

"The red flags went up at my headquarters," one foreign banker said, when Otoe recently published a manifesto calling for changes in corporate structure amounting to a "Hellenisation" of all foreign banks in Greece. This would include total unionisation of foreign banks and the introduction of the seniority system. It calls for union agreement on all issues relating to automation and technological advances, and the virtual abandonment of foreign bank financing of interests such as shipping and foreign investment.

Separately, the unions of three foreign banks are demanding control of internal review boards dealing with discipline, promotions and staff appraisals and the right to initiate disciplinary proceedings, veto internal staff transfers and organisational changes, and to take "direct influence" over credit policy and lending decisions.

Feelings are running high. One foreign banker, commenting on the issue of a union say in the granting of loans, remarked: "This would introduce political criteria, and we'd close at once rather than accept." Another said foreign bankers "will never agree to lose control of their workforce in terms of the right to hire, promote and, if necessary, fire."

Otoe, in the bankers' view, is making a play for power, and would rather see foreign banks disappear from Greece than stay outside union control.

Soares gambles on public desire for stern measures

BY DIANA SMITH IN LISBON

Soares . . . broad appeal

IT TAKES a bold politician to promise two or three years of reduced living standards if his party is elected, but Portugal's Socialist leader, Sr Mario Soares, has done just that.

Warning that the Portuguese will have to live below European standards while the country's grave external payments problems are corrected, the Socialists are gambling on the people's visible desire for a Government willing to tackle the economy head-on to push them to victory in Monday's general election.

Were the Socialists an untried party coming fresh to the scene after a controversial period of centre-right government, their bleak portrayal of a suffering economy might ensure them a landslide.

They are unambiguously democratic, their manifesto calls for full functioning of the market economy, which should please the business community, they firmly uphold membership in Nato and future membership in the EEC, and speak for tolerance and social peace.

Sr Soares' combination of bonhomie and tough fighting in a crisis has a broad appeal.

But he is not a new face and the Socialists had two years in government from 1976 to 1978. The economy was in deep trouble then. Sr Soares' minority Government had little room to manoeuvre because of its weak parliamentary position and it was finally forced into a doomed marriage with the Christian Democrats before being summarily dismissed by President Antonio Ramalho Eanes.

So the electorate will decide whether the Socialists — 1983 version—are better equipped now to handle Portugal's accumulated economic woes, and thus worthy of a strong majority. The Socialists must win 42 per cent of the vote to govern on their own. If they do not, the Portuguese are in for a period of political confusion due to developments inside other parties.

The Social Democrats—the party most likely to come second after the Socialists—would be qualified to form a coalition with them, finding enough political and economic common ground to be a workable partnership.

However, there is a power struggle under way, aiming to dump Sr Carlos Mota Pinto, the new leader, if the Social Democrats win less than absolute victory.

A battle in the Social Democrat Party would make it hard for Sr Soares to find a coalition partner quickly and harder still for potential investors to feel optimistic about Portugal's immediate chances of stable government.

Belgian loan aims to draw back funds from abroad

BY PAUL CHEESERIGHT IN BRUSSELS

THE BELGIAN Government is close to a decision on raising a large internal loan partly in order to draw back funds which have been deposited abroad.

The raising of the loan is expected to be linked to a "fiscal pardon" — that is there would be no questions asked about the origin of the funds to subscribe the loan.

Mr Wilfried Martens's centre-right coalition has been discussing for some time how to ensure the repatriation of funds which fled to havens like Switzerland to avoid Belgian tax.

But there has been opposition in the Cabinet from ministers with a political base in the unions. Their argument has been that wage-earners have been forced to moderate their demands to help restore the economy. Thus, there should be no question of officially laundering illegally placed funds.

On the other side, the use of a fiscal pardon would enable the Government to tap further funds for economic investment at a time when other measures it has taken have led to an increase in bank lending to business.

Thinking within the Government seems to be leaning towards offering funds attracted by the fiscal pardon a lower rate of interest than would be normal on a state loan.

The actual size of the loan, its maturity and rate of interest have not yet been decided. But it is believed that the Government may approach the question in two ways.

First there would be the loan related to the repatriated funds and second there would be a tap stock.

An additional purpose of the fund-raising would be to have additional finance to help local government authorities whose financial difficulties are increasing.

In 1976 the combined debt of the Belgian local authorities was a modest BFr 14bn (£197m), but by last year this total had reached BFr 45bn (£633m) and towns like Liege are unable regularly to meet their supply bills.

The Government is demanding plans from the local authorities for a reordering of their affairs so that they will attain a financial equilibrium by 1988. It is prepared to offer extra financial assistance to those authorities with plans it thinks are viable.

Norway ponders oil buffer

By Fay Gjester in Oslo

THE CREATION of a foreign investment fund for oil revenues to protect Norway's economy from the impact of fluctuations in petroleum price and production levels has been recommended by a commission appointed by the Government. This does not necessarily mean, however, that the country, years after talking about it, will soon become a capital exporter.

The concept of a buffer fund has been welcomed in principle by politicians of all the leading parties, and the commission's report makes a very strong case for it.

It points, for instance, to the problems now facing many oil-producing countries as a result of the latest drop in oil prices. It cites other nations and regions which have sought to avoid such problems by setting up funds of this type.

The report also warns against the dangers of allowing the economy to become too dependent on the oil sector.

Mr Rolf Presthus, the Finance Minister, says he agrees with many of the commission's arguments. At present, however, there is no surplus of oil revenues to set aside to start a foreign fund. In the next few years, moreover, the state's oil-derived income is expected to fall.

The question of how a foreign investment fund should be administered is left open. One possibility, however, is that deposits could be made by the fund with Norwegian banks, which would then invest them abroad.

Mr Lars Uno Thulin, deputy managing director of Den norske Creditbank, Norway's largest commercial bank, said he would welcome a fund if it gave the banks a chance to use the money "aggressively," to help industry move into foreign markets.

Nato discusses missiles stance

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

TWO TOP-LEVEL bodies charged with co-ordinating Nato's approach to the deployment of nuclear missiles in Europe are to meet in the next week in preparation for the reopening of the Geneva talks between the U.S. and the Soviet Union on May 17.

The Special Consultative Group, chaired by Mr Richard Burt, U.S. Under-Secretary for European Affairs, and charged with overseeing the Geneva negotiations, meets in Brussels today. The High Level Group, which is concerned with the actual deployment of the new U.S. Cruise and Pershing 2 missiles, meets in Naples next week.

It is the first time that either body, composed of officials of all 16 Nato countries, has met since before Easter, when President Ronald Reagan announced that the U.S. was now prepared to consider an interim solution which, without mentioning specific numbers, involves some deployment of the new missiles by the U.S. in return for some dismantling of the existing Soviet SS20 missiles threatening Europe.

European governments, which had pressed the U.S. to show greater flexibility in the negotiations, are pleased with the Reagan offer, principally because they think it has put the onus on the Russians to produce a new initiative which could lead to real negotiations.

However, officials in the SCG not the swift denunciation over Easter of the U.S. proposals by Mr Andrei Gromyko, the Soviet Foreign Minister.

They believe that Soviet policy remains to preserve its own monopoly in medium-range missiles in Europe.

At its meeting next week, the High Level Group is expected to continue its assessment of Nato's nuclear stockpile, an exercise that has already lasted for much of the last year.

Nato has pledged that the 572 new missiles, which are to be deployed from the end of this year unless the Geneva talks succeed, will not result in any additional nuclear warheads in Europe.

Swiss bankruptcies climb

BY JOHN WICKS IN ZURICH

MORE BANKRUPTCIES were reported in Switzerland last year than in any year since 1935. According to government figures released in Berne, the number of bankruptcy proceedings started last year was 3,488, some 15 per cent above the 1981 level.

The trend has continued into the current year. Registered bankruptcies in the first quarter have been more than 26 per cent up on the figure for the corresponding 1982 period.

This development, a direct result of recession, has particularly affected small businesses set up in the previous two to five years,

Last year, about 40 per cent of all bankruptcies in Switzerland was accounted for by the building and service trades, and under 15 per cent by industrial businesses.

Inexperience dogs the rulers of the former Dutch colony, reports **Andrew Whitley**

Circuitous route to an independent Surinam

When Colonel Desi Bouterse, head of government and commander of the armed forces in Surinam, took a large party to the Non Aligned summit in New Delhi last month, his itinerary was revealing.

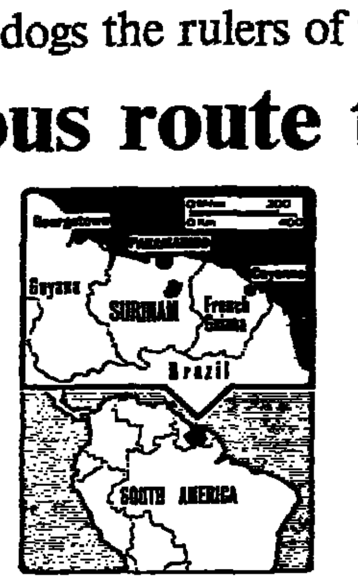
First the delegation flew to neighbouring Grenada to pick up Mr Maurice Bishop, the island's Left-wing leader and his party. Then the two groups went on to Havana. After talks with Premier Fidel Castro, the Cuban delegation joined the other two on an Aeroflot flight to Moscow, before going on to India.

How Surinam became the latest recruit into the Non Aligned Movement's "progressive bloc" is a tale which *follows an equally circuitous*, and at times, accidental route. It has more to do with the exorcism of colonial devils and Surinam's belated attempts to reduce its economic and political dependency on its former master, the Netherlands, than with any Machiavellian schemes by Havana.

The young revolutionaries of Surinam are just discovering Frantz Fanon, the Martinique-born writer who scourged the old colonial powers for their predatory instincts towards former dependancies. Their ideas emanate from the late 1960s, when the army sergeants who seized power three years ago were coming of age.

In Surinam, however unlike Angola or Ethiopia, Fidel Castro's men come in small numbers, dressed in smart suits, not combat fatigues. As one Western diplomat observed: "They don't consider Surinam ripe for harvesting yet."

Col Bouterse, at 37, is the de facto head of Surinam's creole "tribe," the largest ethnic group in a plural society



which runs the gamut of racial types from Chinese to European.

He and the inexperienced Left-wingers who make up his latest government are finding it difficult to deal with dissent and the pressure for change. Last December, after weeks of tension provoked by mass rallies, strikes and constant *criticism of the Government in* the media, their patience snapped.

In an action unpleasantly reminiscent of Idi Amin's *Uganda, soldiers rounded up 15* leading citizens, including lawyers, trade union leaders and a former President of Fifa, the international football authority, and shot them dead. Some were also tortured.

The next morning, Commander Bouterse, as he is usually known, announced on the radio that another counter-coup attempt — the sixth in his short rule — had been foiled. "It was a clear problem for the *Government*," said a *foreign aid* expert. "They knew they had no support and they didn't know how to solve the dilemma. The thing just had to stop."

The events of December 7 and 8 halted the opposition to the regime, but also helped internationalise what had been largely a family feud between the old colonial power and its prickly offspring.

An estimated 180,000 Surinames have taken refuge in the Netherlands over the years *leaving a local population of* only 345,000. The vast majority of the middle class welcomed the 1980 coup as a relief from the sterile, ethnic-based politics and corruption of the past, but in recent months the outflow of the well-to-do and their money has reached unprecedented proportions.

Outraged over the killings, The Hague has suspended its financial aid — Surinam's economic lifeline — and two military pacts.

Within the country, Col Bouterse and his Left-wing supporters decided to move against the pro-U.S. power centre developing around Major Roy Horb, the number two-man in the regime. A close personal friend of Col Bouterse and one of the dwindling band who had seized power in February 1980, Maj Horb was becoming openly disaffected with the course of events.

Maj Horb and 14 others, including two former Ministers, were arrested in February on charges of plotting. Two days later, the 29-year-old major "committed suicide" in his cell, officially by hanging himself with the string from his shorts.

His death provoked renewed street demonstrations and a *fresh period of tension*. But since then the country has been peaceful, with all signs of opposition apparently stamped out.

Colonel Bouterse has appointed a new Government, headed by Prime Minister Errol Alibux and made up of two small parties on the fringes of conventional politics before the 1980 coup. The larger of the two, Palu, is a strongly nationalist and socialist party while its junior partner, known as the RVP, is avowedly Marxist and pro-Cuban.

The 34-year-old Prime Minister, an economics graduate from Rotterdam University, is also the leader of Palu, the only party immediately to endorse the seargeant's coup. Palu is credited by diplomats as having worked within the first, broad-based Government set up by the military, to bring it down. Its new alliance with the RVP is an uneasy one and few expect it to last.

To date the Government has made no public policy statements, concentrating on establishing itself. But according to Mr Winston Caldeira, the Deputy Prime Minister, there is no question of elections for at least three years.

In the meantime, power rests in the hands of a four-man "policy centre" made up of Col Bouterse, Mr Alibux, Mr Caldeira and the one man identified as a potential threat to the present set-up, Sergeant-Major Sital.

Strongly pro-Cuban, the burly, heavily bearded sergeant-major has already been *jailed* once, in 1980, for attempting a coup against Col Bouterse. He has now been rehabilitated with a power base in the army and the local people's committees he is responsible for organising.

Politically independent of the two Government parties, MSM Sital has become the power-broker behind the scenes. How deep his loyalty to Col Bouterse is no outsider can judge. But when the next round of infighting takes place among the "magnificent 16" who took power three years ago, the betting is that the former army medical corps man will be among the survivors.

Brazil has taken an unexpected initiative aimed at pulling its small northern neighbour, Surinam, out of Cuba's sphere of influence, writes Andrew Whitley.

According to Brazilian officials, an aid package to be offered to Surinam includes military training for Surinamese officers at Brazilian academies, a *major increase* in the present negligible level of trade, and—perhaps the most tantalising inducement to switch allegiances — the transmission by satellite of Brazilian football matches instead of Cuban basketball games.

The move, launched last week with the visit to Paramaribo by a top military aide *of President Joao Figueiredo*, is the more dramatic for being so unusual for Brazil. Brazil's foreign policy has traditionally been very low key.

It is believed that Brazil's move may have been prompted by the U.S. which wants to bring Surinam back into the Western fold.

Argentine relatives hope to avert clash

By Jimmy Burns in Buenos Aires

A GROUP of relatives of Argentine war dead said yesterday they would return to their country if prevented from entering the British exclusion zone around the Falkland Islands by British warships later this month.

However, the prospects of a major diplomatic incident developing between Argentina and Britain over the trip remained with the relatives still vowing to defy a British ban and set sail from Buenos Aires on April 30 in an Argentine ship.

"Our only intention is to go to the island, place some flowers on the graves, and say some prayers before returning to our *country. If Mrs Thatcher wants* to confront flowers with bullets then she can no longer accuse us of being the violator of human rights," Sr Osvaldo Destefanis, the Argentine organiser of the trip, said.

Sr Destefanis denied that the Argentine Government or sectors of the armed forces were behind him.

He said the crew and some 60 passengers travelling on the Argentine transport ship—provided by ELMA, the state owned cargo line controlled by the Argentine navy — were civilians. The passengers will include five members of the Argentine and foreign press who Sr Destefanis said were necessary witnesses to any British action.

The trip appears to-be at *the* centre of a growing campaign of intimidation against British subjects in Argentina.

A statement issued by the local offices of the Italian news agency ANSA, implicitly accused Britain of conducting "a psychological campaign" against Argentine interests. The statement follows local coverage of an alleged interview conducted by The Times newspaper in London with General Leopoldo Galtieri.

The interview, written as fiction and in a humorous *tone*, was reported as genuine by the local press, promoting a major controversy within the armed forces. On Wednesday, Mr Andrew Thompson, the Buenos Aires correspondent of The Times, received a telephoned death threat from alleged members of the "Triple-A" right-wing terrorist group.

Reagan budget hopes rest on bipartisan Congress agreement

BY ANATOLE KALETSKY IN WASHINGTON

HOPES of reducing U.S. budget deficits below the $200bn level *at which they could* remain until the end of the decade rest largely on the outcome of today's meeting of the Senate Budget Committee.

The committee's Republican members have failed to agree modifications of President Ronald Reagan's budget proposals, including the modest cuts *in defence spending reluctantly* put forward on Wednesday by top White House officials.

This failure was caused by the refusal of two conservative Republicans to accept the President's call for "standby" tax increases in the years beyond 1985.

Hopes for an orderly resolution to the nation's budget problem now appear to *depend on* a bipartisan agreement between moderate Republicans and the Democratic party leadership, according to Senator Pete Domenici, the Republican chairman of committee.

Any compromise which might be worked out at today's meeting is likely to reflect the Democrats' priorities rather than those of President Reagan, unless the President unexpectedly manages to regain the political initiative which he effectively lost in February by proposing a budget which called for higher taxes and *for some restraint on military spending*, but was distinctly half-hearted in its commitment to these goals.

The Democratic-controlled House of Representatives has already passed a budget resolution calling for no more than a 4 per cent real increase in *defence* spending and for tax increases of $30bn this year on top of the $50bn a year of extra taxes which President Reagan wanted to see from October 1985 *onwards*.

The 7.5 per cent defence increase which President Reagan's repersentatives suggested on Wednesday would be *carried by the Senate only if* all Republicans agree to support a single budget package. Because *of the President's failure to win* acceptance of any tax increases by the right of his party, such unity now looks unlikely.

The Senate's decision this week to postpone or repeal a withholding tax on bank interest, which was due to come into effect in July, was another indication that the President's control of the budget process is weakening.

Democratic leaders hope that if they can push a budget embodying their own priorities through hot the House and the Senate, the President will *find it* extremely difficult to block the specific measures, for higher taxes, lower military spending and *fewer social* spending cuts, which such a budget will produce.

Glenn formally enters presidential race

NEW CONCORD, Ohio — Senator John Glenn of Ohio, who in 1962 was the first American to orbit the earth, last night formally announced that he was a Democratic contender for the presidency in 1984.

Senator Glenn, 61, has deliberately waited to become the last of the six proclaimed Democratic candidates. The others are Senator Alan Cranston of *California*, Senator Gary Hart of Colorado, former vice-President Walter Mondale, former Florida Governor Reubin Askew and Senator Ernest Hollings of South Carolina.

In national Democratic preference polls Mr Mondale leads *Senator* Glenn by a 2-1 margin, with the rest trailing behind.

Senator Glenn has the advantage of being well known as an astronaut and also has wide popular appeal in the South, which will send the biggest block of delegates to the July 1984 Democratic nominating convention.

He is a political centrist compared to the *liberal Mr Mondale*, Senator Cranston and Senator Hart, putting more emphasis on defence and the need to modernise the economy. Mr Askew and Senator Hollings are to his right.

Reuter

Managua counters U.S. charges of Soviet allegiance

BY HUGH O'SHAUGHNESSY IN MANAGUA

NICARAGUA'S left-wing Sandinista Government has announced an ambitious programme to celebrate the 200th anniversary of the birth of Simon Bolivar, the Venezuelan who led the fight for Latin America's independence from the Spanish Empire.

The announcement was made by Comandante Tomas Borge, a top Sandinista leader and Minister of the Interior at a meeting this week, attended by cabinet ministers and leading figures in the left wing government.

The move is seen as a clear sign that the Sandinistas are keen to underline the roots *their movement* has in the traditions of Latin American nationalism and the search for democracy and to counter claims by their opponents, principally the U.S., that they are following an ideological blueprint prepared in Moscow and Havana.

The programme, *starting* on the anniversary of Bolivar's birthday in June, includes official ceremonies, the renaming of schools, colleges and a battalion of the army after Bolivar, and essay and poster competitions on the theme "Sandino, son of Bolivar."

Cesar Augusto Sandino, after whom the Nicaraguan revolutionaries named their movement, was the leader of a guerrilla campaign against U.S. forces which occupied Nicaragua in the 1920s and 1930s. He was killed in 1932 by Anastasio Somoza, founder of the dynasty which the Sandinistas finally overthrew in 1979. Sandino was an *admirer* and *follower* of Boliver, the most democratically minded of the early 19th century Latin American revolutionaries.

The announcement came as Father Miguel d'Escoto, the Nicaraguan Foreign Minister, met the foreign ministers of eight other Latin American countries in Panama in an effort to agree a strategy for ending the fighting in Central America.

The planned celebrations emphasise Nicaragua's determination not to be politically isolated by the U.S. and to strengthen its ties with politically important and still wealthy South American parliamentary regimes.

Labor unveils plans to boost industry in Australia

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE Australian government yesterday outlined an ambitious legislative programme that *promises wide-ranging* measures to boost the economy and provide thousands of new jobs.

The programme includes a major boost to house-building, a promise to revitalise Australian industry and a specific commitment to formulate a long-term development plan for the Australian steel industry.

Most of the measures outlined are based on the Labor party's successful election platform of early *last month, when it won* office with a commitment to achieve national "reconciliation, recovery and reconstruction."

The legislative plans were contained in the opening address to Parliament in Canberra written by the government for the Governor-General, Sir Ninian Stephen. Parliament reconvenes for a month-long session on May 3.

The government also announced yesterday that it would seek to "abolish the residual and anachronistic constitutional links with the United Kingdom, but not (those) affecting the constitutional position of Her Majesty, the Queen of Australia, Queen Elizabeth II as Australia's Head of State.

As a follow-up to last week's tripartite economic summit meeting in Canberra, the government plans to form an Economic Planning Advisory Council, representing governments, business, unions, and farmers and to establish a prices surveillance mechanism.

Development of a strong, competitive manufacturing sector *was* of crucial significance, the government said, promising a "programme of industrial regeneration to revitalise existing industries and seek new *opportunities for growth* in areas of high technology."

The government repeated its commitment to preserve the Australian steel industry—which *effectively means* the stricken steel division of Broken Hill Proprietary (BHP), the country's largest company—and said talks were proceeding with a view to formulating a long-term steel development plan.

Indians seek protection against expatriate takeovers

BY K. K. SHARMA IN NEW DELHI

INDIAN businessmen have asked the Government to prevent the takeover of established and profitable companies by expatriate Indians, for whose benefit various investment incentives were announced last February.

The businessmen have been alarmed by the heavy buying of shares of two Delhi-based companies—Delhi Cloth Mills, run by the Shriman Group, and Escorts, the light engineering company that makes tractors and other items.

The share prices of both companies have more than doubled in the past few weeks following heavy purchases by unidentified people, widely believed to be Indians living abroad.

In an interview published in the Times of India yesterday, Mr Swaraj Paul, a London-based Indian businessman who is a close friend of Prime Minister Indira Gandhi, admitted that he had bought shares of the companies.

A number of industrialists have met Mr Pranab Mukherjee, the Finance Minister, in the past *few* days and pointed out that the incentives to encourage investment by non-resident Indians could mean that their money will be used to take over existing companies rather than start new ones.

They have suggested that a ceiling of 2 per cent of the total equity of any company should be imposed on purchase of shares by non-resident Indians to prevent them from gaining a controlling interest.

The crux of the businessmen's fears is that non-resident Indians, with powerful political influence may seek the Government's help in any takeover bid.

Chinese workers win 8% pay rise

By Mark Baker in Peking

CHINA'S 115m urban workforce is about to receive a general pay rise of about 8 per cent, but the government plans to re-acquire a big slice of it by pushing workers to buy bonds.

Official directives are *believed to have been issued* for government employees, staff of national enterprises and industrial workers to get pay rises of equivalent to about £1.75 a month. The present average urban income is some £22.50 a month.

At the same time the *government is mounting* a strong campaign to get all urban workers to buy bonds worth an average of about £7, one-third of the annual increase.

The wage rise was foreshadowed last December when the premier, Zhao Ziyang outlining the new five-year plan, projected that the national wages bill would rise from the equivalent of £26.7bn in 1980 to £34bn in 1985.

But the first indication of the general pay increase has come only with the dispatch in the past few weeks of circulars to workplaces.

The majority of workers are paid according to an eight-tier scale, while cadres and special work categories are paid according to a 23-tier scale.

The "sting" to the rise is the bond programme. While ostensibly a voluntary scheme, it appears that workers will need a good excuse not to buy. Notices sent to workplaces are said to emphasise the importance of all workers co-operating in the bond scheme to help national development.

Chinese urban workers have not had a general pay rise since the 1977-79 period. Teachers, intellectuals and other professionals are believed to have received general increases earlier this year.

The government's first bond issue was opened in 1981, to work units and collectives only. It was made available to individuals last year and this year's issue is said to have been oversubscribed already.

Most of the bonds have a 10-year maturity and offer intrest of around 8 per cent.

Kevin Muehring in Jeddah assesses the implications of last week's budget announcement

Saudis pin hopes on oil market upturn

BUDGET DAYS in Saudi Arabia have come to be taken with a certain grain of salt over years, because they are less a catalogue of hard and fast numbers than a rough indication of priorities and a pointer to the country's psychological mood.

The deficit budget announced last week foreshadowed spending of SR 260bn (£50.8bn) against revenues of SR 225bn. Many businessmen who *expected* lower spending and braced themselves for the worst, were relieved by the announced target. Some diplomats predicted a far higher figure because of political factors, and were surprised by the government's relatively realistic assessment of the oil outlook.

This still represents Saudi Arabia's first budgeted deficit in a decade, and the hardest hit sectors will be those involving infrastructure development. The *ministries of agriculture, oil*, industry and electricity, along with the grain silos and desalination corporations, will receive an allocation of only SR 13bn, about 40 per cent less than last year.

Allocations for municipal services were slashed 27 per cent to SR 19bn, and for the transport and communications sector by 23 per cent to SR 24bn.

As the Ministry of Finance rarely misses a chance to note, these cuts have already taken place, in as much as actual expenditures last year are estimated to have *fallen* to SR 243bn from the SR 313bn originally budgeted. If all goes well, therefore, there will be a 7 per cent increase in spending in the coming year.

The budget nevertheless represents a "best case scenario," for the anticipated revenues of SR 225bn presume a substantial upturn in the oil market by the fourth quarter of this year.

On the revenue side, the *figures are based on SR 50bn* in investment, tariff and tax income, and at least SR 160bn in crude oil export income after taking into account income of SR 15bn in natural gas liquids and refined product income.

On the basis of the current $29 benchmark oil pricing structure, this would translate into an annual production average of at least 5.6m barrels a day if the 600,000 b/d of domestic consumption is included, although there is also the unknown factor of financial or crude oil export aid to Iraq. Sheikh Mohammed Aba al-Khail, Minister of Finance and National Economy, said last week: "We in the Finance Ministry would be happy with 6m b/d."

Crude oil production in April, however, is believed to be only marginally better than the "less than 3.5m b/d" cited by Sheikh Ahamed Zaki Yamani, the Oil Minister, at the recent Opec talks in London, and it is unlikely to rise above more than *perhaps 4m b/d until autumn.* Production would then have to surge to an average of nearly 7m b/d in the last half of the fiscal year to meet budget targets.

Fortunately, Government spending is at its lowest levels during the summer, and diplomats believe Riyadh will only spend what it earns during this period. "They are going to wing *it* until winter," one diplomat remarked.

The Government planners will take a serious second look at the figures when the mid-year review *falls* due around October.

If the oil market doesn't look promising, they will have two options:

- A larger draindown in foreign reserves than the budgeted $10bn which nearly all observers are predicting. This is probably the easier course.
- Undershoot the SR260bn spending target. Because the Ministry of Finance, whose political power has grown considerably, *will find it difficult to* trim the government wages and benefits which comprise the bulk of recurrent or administrative expenses, further spending cuts would have to fall on the project side.

The 14 per cent drop in actual expenditures to SR243bn last year from SR283bn the year before was entirely on the project side.

Last year the Government squeaked through by slowing the payments stream to contractors or by *tossing out contracts for rebidding*.

Contractors say they already support the SR74bn earmarked for new projects this year will not be fully disbursed because of the additional bureaucratic delays created by two recent decrees. These require open bidding and the awarding of 30 per cent *of* contracts to Saudi companies.

One banker said he believed the government would trim those projects which have a high *foreign* component, as these would have the least political or economic cost.

Detained Tanzanian hoarders face tribunal

BY MICHAEL HOLMAN IN DAR ES SALAAM

SEVERAL HUNDRED alleged hoarders, black marketees and illegal currency dealers — including senior civil servants, police officers and prominent businessmen — have been arrested in Tanzania in the past three weeks, and are likely to face instant justice before a specially-constituted tribunal.

A Bill to establish the tribunal, with powers to imprison offenders for up to five years, was presented to the national assembly yesterday.

The Government-owned Daily *News* newspaper carries almost daily accounts of the wave of detentions, with pictures of the most prominent offenders. The action follows President Julius Nyerere's announcement of a campaign against "economic sabotage" launched at the end of May.

The plan to introduce retrospective legislation, however, has been sharply criticised as effectively circumventing the established judicial system. Mr Wolf Dourado, former Attorney-General of Zanzibar, described it as "a Draconian measure" which infringes human rights.

Although the tribunal will be chaired by a judge, it appears that those appearing before it will have to plead their own cases and will not be entitled to defence counsel.

Every town and city in Tanzania has been affected by the exercise, adopted by police and officials of the ruling Chama Cha Mapinduzi Party.

While some genuine culprits have been held, many Tanzanians have also been caught up in the campaign whose only offence has been to hold one bar of soap too many or keep their shillings under a mattress because they distrust the banking system.

The result of the campaign, however, has been to return to the shops items which have either been scarce or unavailable.

The campaign is therefore a popular move by a government facing the consequences of serious policy shortcomings over the past decade.

But its impact is likely to be short-lived. Once the goods on the shelves have been sold, there will be little to take their place. The country's industrial sector, running at between 15 and 30 per cent of capacity, cannot meet demand because of shortage of spare parts, raw materials and foreign exchange.

Lebanon deaths prompt Israeli pull-out calls

By Our Tel Aviv Correspondent

RENEWED CALLS surfaced yesterday for a unilateral withdrawal of Israeli troops to the Awali River in Lebanon following the death of two Israeli officers in a clash with Palestinian guerrillas.

The two Israeli's and four Palestinian guerrillas were killed when the Palestinians tried to *infiltrate* an Israeli-controlled area just south of the Beirut-Damascus highway on Wednesday night.

Another three soldiers were *injured during* an exchange of fire between Christian and Druze forces east of Beirut earlier in the day.

This brings to 466 the number of Israeli's killed in Lebanon since the invasion last June, with more than 2,500 injured. Since October 10 last year, when the army spokesman put out the final figure for the casualties of the war in Lebanon, 98 soldiers have been killed

This steady trickle of deaths and injuries has led some Cabinet Ministers, as well as opposition figures, to urge a unilateral fall-back of Israeli forces

PLO in bid to break Mid-East deadlock

TUNIS—Palestine Liberation Organisation (PLO) chairman Yassir Arafat began crucial meetings of the organisation's leadership in Tunis today in an effort to break a deadlock over Middle East peace moves.

Palestinian sources said Mr Arafat, who returned where early yesterday after a tour of East European states, chaired a meeting of the PLO's 14-member executive committee which had been postponed several times after the suspension of talks with Jordan 11 days ago.

The Tunisian news agency TAP said it was to be followed by a meeting of PLO guerrilla groups in an effort to agree on the terms of resuming talks with Jordan.

But informed sources said it was not yet confirmed that leading Syrian-based PLO hardliners, such as Mr Nayee Hawatemeh and Mr George Habash, would attend.

King Hussein of Jordan suspended the talks which had been going on for six months, after radi*cal PLO* leaders opposed a deal with Jordan which they saw as inspired by President Reagan's proposals for Palestinian self-rule instead of an independent state as they demand.

Some Arab diplomats said yesterday that resumption of talks with Jordan was the PLO's last chance, and if this did not happen it would mean the PLO being left in the political desert.

Since the talks broke down in Amman Mr Arafat has been on a non-stop diplomatic drive, conferring with senior leaders in Czechoslovakia, Hungary and Romania after meeting with the heads of state of Algeria, Morocco and Tunisia.

At the same time high-level inter-Arab contacts were being conducted, which senior Palestinian sources said included mediation between the PLO and Jordan by King Hassan *of* Morocco.

The Arab diplomats said the purpose of the diplomatic offensive was to overcome radical PLO and Syrian objections by means of a compromise formula that would lead to a Palestinian *consensus and give* Mr Arafat a mandate to reopen talks with King Hussein.

Palestinian sources said a consensus could emerge among the *PLO* leadership if it was agreed to call on President Reagan to revamp his plan by recognising Palestinian rights to self-determination.

Reuter

WORLD TRADE NEWS

Why some Hong Kong companies are not serving Cognac

BY ANDREW FISHER IN HONG KONG

WHEN Shing Cheong Electronics held its Chinese New Year party in February one of Hong Kong's favourite tipples, French Cognac, was absent.

Scotch Whisky was the only spirit served.

Said Mr Patrick Chau, managing director of the watch company: "In a way it was a sacrifice, but we also saved money."

Doing without the brandy was not, however, decided on by Shing Cheong and other watch companies for cost reasons. It was an expression of the exasperation felt over France's continued curbs on imports of quartz timepieces from Hong Kong.

A breakthrough could occur soon, though. A special panel of the Geneva-based General Agreement on Tariffs and Trade (Gatt) should shortly reach its conclusions.

"It's a clear case," said the Gatt director general, Mr Arthur Dunkel, on a recent visit to the British colony.

He did not say *how* this clarity would translate itself into an actual decision by the panel—with Gatt representatives from Austria, New Zealand, and, ironically, Argentina—but said its deliberations would be over soon.

The French brought in quotas on Hong Kong watches to protect their own industry from what they saw as over-rapid and over-cheap market penetration from the Colony. Ther big producers like Japan were not affected.

The results for Hong Kong watch sales to France, with a population of more than 52m, have been dramatic, though the market is not one of its biggest. The quotas began in October, 1981. During the previous 12 months, sales of quartz watches to the French had been around HK$215m (£21m). They fell to HK$118m (£11m) in the following year to October, 1982.

In volume, though not in value, Hong Kong is the world's major watch exporter. Foreign sales of its timepieces were worth HK$7.3bn (£720m) in calendar 1982, a rise of only 1 per cent. The French bought HK$100m worth, mainly quartz, a drop of 36 per cent.

The French fixed their quota for the colony's quartz matches at 5.5m pieces for the 15 months from October, 1981, with a quota of 4.4m for this year. During the 12 months to the start of the quotas, Hong Kong's watch makers had sold nearly 6m quartz pieces in France.

Shing Cheong itself is not a major seller to France, though it has done business there. Its main market is the U.S. But on its office lobby wall is a bold poster which makes clear the industry's opposition to the curbs.

"No French Cognac," it says above a picture of a dark green brandy bottle on which is a little French flag and surrounding which is a red no entry sign. "Fight for the prompt removal of the unfair French quota on Hong Kong quartz watches," reads the text below. Whether the call is having any effect is hard to tell. Hong Kong's inhabitants drink their way through over 6m litres of French brandy a year.

Rising Hong Kong watch exports worry W. Germany

BY JOHN WICKS IN ZURICH

THE West German watch industry is concerned at the rapid growth in imports from Hong Kong, Mr Herbert Obergfell, chairman of the trade body Verband der Deutschen Uhrenindustrie, has observed. Deliveries from the Crown colony rose by almost 35 per cent in 1982 to 15.8m of total imports of 22.9m units for the year. He attributed this in part to the introduction of restrictive measures against Hong Kong watches by France.

Speaking at an industry fair in Basle, he called for scrapping of the duty-free quota accorded Hong Kong watches. The British colony was now a leading producer of quartz wristwatches and could no longer be considered a developing country "The privileges must be done away with, otherwise the Government will be supporting and promoting the destruction of jobs," he claimed.

Moscow warns Poles on quality of goods

By Christopher Bobinski in Warsaw

THE HIGH price of Polish exported goods, their poor quality and late deliveries have been cited by the Soviet Union as a major obstacle to improving bilateral trade.

The Soviet view was made in the Rynki Zagraniczne, a Polish foreign trade publication, in which Mr Boris Koltunow, the trade councillor at the Soviet Embassy, told Polish exporters that Russia "does not need out-of-date goods which Polish enterprises are offering as technically newly developed."

He also pointed out that according to the Soviet side prices being asked by the Poles were too high and disregard the Comecon pricing formula which bases prices on the average world price of a given product in the five preceding years.

According to Soviet figures Poland failed to supply 185m roubles (£168m) worth of contracted deliveries by the end of last year, and all but 70m roubles worth of this shortfall had been made up by March 20. However with Polish exports to the Soviet Union valued at 780m roubles in the first quarter of this year the Poles, according to Mr Koltunow, were already 140m roubles behind on this year's deliveries.

VW of Mexico to sell kits to Nigeria

By William Chislett in Mexico City

VOLKSWAGEN De Mexico, the country's leading car producer, is to export $105m worth of cars and car kits to Nigeria this year as part of a plan to make up for depressed sales in the Mexican market and to earn much needed foreign exchange.

The deal to export 1,000 assembled Caribe cars and 30,000 kits to make its Atlantic car represents a breakthrough for the company into the Nigerian market.

Volkswagen sold 2,689 fewer cars in 1982 in Mexico than in 1981 and the outlook for this year is gloomy.

Peter Blackburn in Abidjan reports on a $650m contest to build a hydro scheme

French ahead in Ivory Coast dam tenders

FRENCH COMPANIES are in the forefront of a race by nearly 180 concerns from 20 countries for contracts in the $650m Soubre hydroelectric power scheme, the Ivory Coast's largest project since independence in 1960.

The French will be striving to repeat their success on the last major dam project at Buyo, upstream from Soubre on the Sassandra River. The Buyo civil works contractors, Chantiers Modernes—Razel Freres with the local company Sogeci, are first on the list of prequalified groups.

French businesses are present in 11 of the 22 consortia invited to bid by July for the $266m civil works component representing 40 per cent of the total project cost.

French consulting engineers from Electricite de France have prepared tender documents and will help evaluate bids and supervise construction.

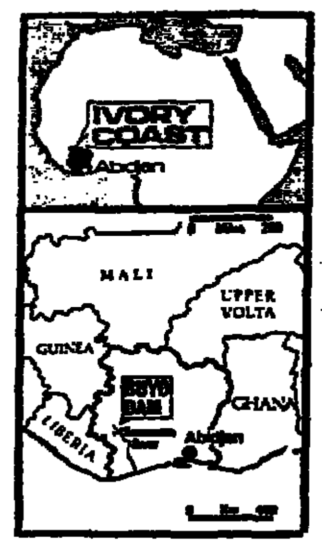
Soubre, the country's sixth dam and most important project since independence in 1960 is seen both as a development of the hydroelectric power policy started in the mid-1970s and as a major stimulus to a depressed economy.

Since the 1973 oil crisis there has been a remarkable switch in the pattern of electricity production. The amount produced by hydroelectric schemes has risen to 90 per cent from 25 per cent while that of thermal plants has dropped to 10 per cent from 75 per cent. The reduction of fuel oil imports has resulted in major foreign exchange savings.

"The Soubre project will contribute towards the country's economic recovery both through the volume of investment and by the share of work carried out in the Ivory Coast." Planning and Industry Minister Maurice Seri Gnoleba told aid donors who completed the financing package in Abidjan earlier this year.

He also stressed the stimulus given to regional development in a country where economic activity is overwhelmingly concentrated in the coastal capital Abidjan.

In order to gain time—the project is already more than one year behind schedule due to problems in raising civil works finance—only local companies will be invited to bid for $30m of workers' accommodation construction due to start in July for completion by the end of the year. Work on the rest of the project can begin in January, 1984. The project is due to be completed in 1988.



Cicil works have proved difficult to arrange. Mr Gnoleba bluntly told aid donors: "Certain institutions are not interested in civil works, which generate few direct exports from industrialised countries."

The breach was finally filled by four Arab funds—the Saudi Development Fund, Kuwaiti Fund for Arab Economic Development, the Opec Fund for International Development and the Arab Bank for Economic Development in Africa. They have pledged $100m, the first major Arab project financing in the Ivory Coast.

Agreement was delayed by the Ivorian Government's reluctance to agree to the inclusion of a boycott clause. The Ivory Coast was one of the last African countries to break diplomatic relations with Israel, and there are still significant Israeli business interests in the country. The Israeli company Solelboneh has a 45 per cent stake in one of the country's most successful construction companies. Its application to prequalify for the Soubre civil works was rejected for "lack of reference."

A compromise was finally reached—subject to approval by the Arab Fund's headquarters—whereby the boycott clause would be inserted in the loan agreements but not the tender documents. In contrast to the civil works credits, which are untied, the raising of $180m to finance electro-mechanical and transmission equipment is easy.

The U.S. Export-Import Bank has offered a 20-year credit—twice its normal length—in an effort to penetrate the French-dominated market. The $100m credit is at 10 per cent interest

France's Caisse Centrale de Co-operation Economique is making a rival offer, while there is also strong competition from West German and Italian Government credits.

Soubre power station will have four 82 MW generators—twice the capacity of the Buyo station. It is designed to produce 1,600 KW a year—equivalent to 90 per cent of present electricity production.

Planners at Energie Electrique de la Cote d'Ivoire (EECI) point out that Soubre will only meet the country's electricity needs until 1990.

They add that the country is faced with an electricity shortfall in the two years before Soubre becomes operational in 1988. This takes into account spare capacity at Abidjan's Vridi thermal power station and slower demand growth due to the recession. But they plan to bridge the gap by making greater use of the link-up with the Ghanaian grid.

Indian engineering sales face Middle East setback

BY P. C. MAHANTI IN CALCUTTA

THE international recession and financial troubles in the oil producing Arab world could cause a serious setback to India's growing engineering exports during the current financial year.

Industrialists connected with the Engineering Export Promotion Council predicts that the Rs 15.5bn (£1bn) export target is likely to fall short by at least Rs 1bn.

Mr R. K. Singh, the executive director of Engineering Promotion Council says India's engineering goods exports to the Middle East have started declining as most of the oil producers in the region are experiencing financial difficulties because of falling oil revenues. Even Saudi Arabia seems to be in difficulties. At least 25 per cent of Indian engineering exports in the form of capital goods and projects exports go to Middle Eastern countries.

In the past five years these have grown by 15-20 per cent a year without break but the growth rate during 1983-84 is likely to be negative.

Gas pipeline bids sought

NEW DELHI—The Indian Government is preparing to invite international tenders for a gas pipeline project on the west coast, Energy Minister P. Shiv Shanker said yesterday.

The proposed 240 kilometre pipeline will take natural gas from the offshore South Bassein field near Bombay to a fertiliser plant at Hazira in India's western Gujarat state, he told a parliamentary committee.

Construction of the pipeline will start in October this year and is expected to be completed in April/May next year. He gave no further details about the project or its cost.

Reuter

Anti-submarine warfare orders won by Marconi

By Michael Donne, Aerospace Correspondent

NEW ORDERS worth £25m for airborne anti-submarine warfare systems have been won by Marconi Avionics, part of Britain's General Electric Company group, from both the RAF and the Royal Australian Air Force.

The equipment will be fitted into RAF Nimrod maritime patrol aircraft, and into the RAAF's newly-acquired Lockheed P-3C Orion patrol aircraft.

The system works through sonobuoys deployed in the water, which detect submarine noises and enable the underwater craft to be precisely located.

The equipment will be built at Marconi Avionics' Maritime Aircraft Systems Division at Rochester. Sub-contractors include McMichael, Rank Pullen Controls, Computing Devices of Canada and the Marconi Avionics Airborne Display Division.

Libyan weapons row could stop Brazil aircraft sale

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL'S seizure of the four Libyan aircraft carrying weapons to Nicaragua could endanger the impending sale to Libya of military aircraft worth 82.7m cruzeiros (£190m).

Over the year Libya has been one of the best customers of Brazil's expanding arms industry. But the largest part of the deal in question, for 150 single-engined trainers, would have been a new breakthrough.

The Brazilian-designed trainer, known as the Tucano, has so far been sold by its manufacturer, Embraer, only to Brazil's air force.

Brigadier General Delio Jardim de Mattos, the Aviation Minister, acknowledged on Wednesday that the affair of the impounded aircraft could lead to a suspension of negotiations with Libya. But he said: "More important than these exports is the maintenance of Brazilian sovereignty.

Embraer has been negotiating with the Libyan Government for several months to sell 150 Tucanos and 10 maritime patrol versions of its Bandeirante turbo-prop aircraft. With technical assistance and spare parts Embraer believes the whole package could be worth more than 100bn cruzeiros.

Conclusion of the sale is apparently only waiting on the signing of a government-to-government protocol.

Reports yesterday that some of the impounded weapons being examined at Manaus airport after being unloaded from the Libyan Ilyushias could be of Brazilian origin did not surprise Brazilian officials. Brazilian-made armoured cars were used by Libya in Chad and by Libyan-backed dissidents in Sudan during the 1970s. More recently Libya has bought Brazilian surface-to-air and air-to-ground missiles.

Law Lords restrict 'blacking' of ships

By Raymond Hughes, Law Courts Correspondent

A HOUSE of Lords judgment has imposed limits on the industrial action which the International Transport Workers' Federation (ITF) can take against shipowners operating under flags of convenience.

Lord Diplock said the judgment would affect not only the federation's campaign but might also make "blacking" more difficult in other industries where sub-contracting was common.

The Law Lords ruled yesterday that disruption by the ITF of port services to a chartered ship gave its owner a right to sue the ITF for damages.

The blacking of the vessel prevented it leaving port and so interfered with the owner's obligation under the charter to complete voyages as quickly as possible.

The owner would be damaged because the charter party provided that, if the vessel were delayed by industrial action, no hire would be payable by the charterer to the owner.

As the owner was not a party to the disrupted contract for the supply of port services, the blacking was unlawful secondary industrial action.

The Law Lords recognised the effect their judgment would have – not only on the ITF's campaign. It might, said Lord Diplock, also make blacking more difficult in other industries where contracts were common. The ITF had appealed against a temporary injunction stopping the blacking at Liverpool of the Liberian-registered Hoegh Apapa, time-chartered by Merkur Island Shipping to Leif Hoegh.

The ITF, which was trying to force Merkur to give the vessel's Filipino crew ITF-approved wages and employment conditions, caused it to be blacked by tugmen and other port workers, making it impossible for it to leave.

In fact an exceptionally high tide forced the lock-keepers to open the gates, enabling the vessel to sail.

To that extent the court case became academic

MacGregor hopeful of new steel plant

BY PETER BRUCE

MR IAN MACGREGOR, chairman of the British Steel Corporation, yesterday held out the possibility of commissioning a new steel plant in Scotland in the next 10 years, a move which he said could "put Scotland back in the forefront of steelmaking."

His remarks appear to mark the beginning of a determined effort by BSC to deflect criticism of a proposed joint venture with U.S. Steel, which could have the 4,000-strong workforce at Ravenscraig plant near Glasgow.

Mr MacGregor said BSC was trying to develop new processes which would enable BSC's two mothballed direct reduction ironmaking plants at Hunterston in Scotland, with a combined capacity of 800,000 tonnes a year, to fire on coal instead of gas.

If the research was successful, said an aide, electric arc furnaces *could be installed at Hunterston to* make steel.

"Within the decade there may be steel plants at Hunterston with the prospect of a very competitive future, because they will use a process which will be a world-beater," Mr MacGregor said." Our labs are working very hard and we have a number of inventive ideas which could well result in redevelopments to steelmaking.

"If that is the case we will put Scotland back in the forefront of steelmaking. And we will use Scottish coal at the plants – I have made that a condition."

Franchise operations expanding

By David Churchill

FRANCHISE operators expect their turnover to reach £500m by the middle of this year and to top £1bn by 1985, according to a new survey of members of the British Franchise Association.

The survey also shows that the franchise companies expect to create an extra 7,500 jobs by 1985 as a result of more people moving into franchising.

The association has about 50 member companies in such areas as fast food, drain cleaning, and car rust-proofing. There are about 4,300 franchised outlets, according to the survey, employing some 31,000 people.

The average total cost of a new franchise in 1982 was £38,500.

'Closure threatened' at five shipyards

BY PHILIP BASSETT, LABOUR CORRESPONDENT

MOST of Scotland's *shipyards* could close within 18 months, a shipbuilding official said yesterday.

The closures predicted by Mr Chris Finnerty, shipbuilding national officer of the Engineers' and Managers' Association, to the Scottish TUC conference, would mean the loss of a further 11,000 jobs in Scotland, three times the *total* estimated by British Shipbuilders (BS).

While the forecast depends on the exhaustion of current work at the yards, BS is itself warning that it sees no more ship orders in prospect. Its order forecasts have regularly proved reliable.

Detailed material in Mr Finnerty's predictions was drawn from informal soundings by the union among the senior managers it represents in the industry and some close contacts with government officials.

Conference delegates unanimously passed an emergency resolution calling for "essential action" to save the industry, including withdrawing all tax concessions from British companies building vessels abroad, further government aid, a policy of scrap-and-build and retaliatory action against the dumping policies of South Korea and Taiwan.

Mr Finnerty said that if immediate government action was not taken, five yards would close – Govan Shipbuilders at Upper Clyde, Henry Robb at Leith, and Scott Lithgow, Barclay Curle and Kincaid, all at Greenock. Calculations based on Mr Finnerty's remarks put the total loss at about 11,000 jobs.

ICI recovers with 'a very good March'

BY CARLA RAPOPORT

THE first-quarter figures of Imperial Chemical Industries (ICI) will show a "distinct improvement" on those of any quarter in 1982, the chairman, Mr John Harvey-Jones, told shareholders yesterday.

This pushed ICI's shares up 32p to 488p yesterday, one of their biggest advances of the year.

The chairman cited signs of a revival in business confidence and said ICI had a "very good March." The new confidence, he said, resulted from improved production figures in the U.S., renewed stability in continental European countries, stronger UK markets and generally lower inflation.

Mr Harvey-Jones, however, did qualify his optimism. "It may be a false dawn, but it would be a pretty *poor lookout if we couldn't take* pleasure at some good news for a change," he said. "All I would counsel is that we don't go overboard."

Analysts have recently upgraded their forecasts for ICI's results this year, with some looking for more than £470m in pre-tax 1983 profits.

For the first quarter brokers are now expecting between £90m and £95m pre-tax, compared with £82m last year.

ICI's good news helped the FT Industrial Ordinary index to jump 13.8 to close at 692.

BNOC between the oil market and the deep blue sea

Ray Dafter examines the private oil companies' attacks on the Government-owned trader

OIL industry knives are out for the British National Oil Corporation (BNOC), the *state-owned* trading company.

BNOC has lately been the butt of a whispering campaign, with leading companies questioning whether the corporation, as the leading North Sea trader, was more trouble than it was worth.

Now the views are in the open, *exposed in presentations to the all-party Energy Select Committee of* MPs. Esso, the UK arm of Exxon – the world's largest oil company – declared it wanted BNOC scrapped.

"BNOC *serves* no useful role as a government agency," Esso said.

British Petroleum (BP) and Shell UK, the other two leading North Sea producers, called for BNOC's role to be reviewed.

"BNOC faces major difficulties in carrying out its oil trader role in present circumstances in view of the diverse natures and aims of its many suppliers and *customers*," said BP.

It is nothing unusual for private sector industries to challenge the effectiveness and efficiency of state-owned undertakings. Indeed, the present Government has been encouraging the challenge. BNOC, however, is no ordinary state undertaking.

Even companies advocating BNOC's abolition concede that it has been clever and professional in negotiating a new North Sea reference price – of $30 a barrel – which was acceptable to most of its customers and suppliers and which was unlikely to trigger fresh price-cutting by members of the Organisation of Petroleum Exporting Countries (Opec).

BNOC had a key role in these negotiations because it handles around 57 per cent of all the oil produced in the North Sea's UK sector. This year, for instance, it expects to trade almost 1.3m barrels a day. This means that at present prices BNOC is *handling* about £25m *worth of crude oil daily.*

Much of this oil – around 490,000 b/d – is sold straight back to producers but the remainder has to be sold *to* BNOC *customers*, usually refiners.

When the oil market is stable there are many customers willing to pay the price at which BNOC buys its supply on the Government's behalf. The UK has always priced its oil at a level that will ensure the last drop is sold.

BNOC is left exposed, however, when there are insufficient buyers willing to pay official prices, as in recent weeks. Gulf Oil stopped buying BNOC oil altogether.

The immediate drop of around 130,000 b/d sales left BNOC seeking new buyers. Some of the oil has been *sold on the spot market* leaving BNOC nursing losses estimated at several million pounds.

BNOC's adversaries are unhappy, partly because they feel the corporation intrudes unnecessarily into the free-enterprise North Sea business, and partly because it brings *so much Opec attention on a contrived* UK reference price.

Many companies would like to be left to settle their own UK market prices. Recently this would *almost* certainly have meant lower prices being paid by refiners of UK crude. It might also have helped to start a much more marked erosion of world prices, maybe even a collapse.

BNOC has two main aims. It is the Government's vehicle for ensuring *national security of supply during* shortages, and it has a duty to ensure, "through effective trading and marketing," that the UK economy receives maximum benefit from the oil made *available* under state participation arrangements.

On the first point companies *argue that the Government's* reserve would be sufficient to ensure supply in times of need. Some ministers and civil servants doubt whether such powers would be sufficient to override private oil companies' *commercial* interests.

The second point opens up a hornets' nest of claims, counter-claims and intrigue. Without BNOC, North Sea prices could have drifted downwards and settled naturally *at* what could have been a true market value.

On the other hand, BNOC's intervention may have helped to stave off a price collapse with all that would have implied for reduced tax revenues and economic instability.

Mr Nigel Lawson

Energy Secretary Mr Nigel Lawson has emphasised the need for pricing stability. He has even defended BNOC at a time when he is more inclined to take a tilt at *state* energy corporations.

He concedes that BNOC, formed from the demerger from Britoil last year, is *different* from other *state* bodies. It is small, having just 125 staff, it makes no product, and it provides no service to the public.

It is usually left unsaid that BNOC is also much more a direct instrument of Government policy than any other state body.

Sotheby's less united in rejecting U.S. bid

BY CHARLES BATCHELOR

A GROWING number of fine art experts at Sotheby's, the international *auction house which is trying to* fend off a £61m bid from two wealthy American businessmen, say they are no longer behind their *management.*

Sotheby's has claimed unanimous support from its senior experts for its rejection of the bid from Mr Marshall Cogan and Mr Stephen Swid, two New York businessmen and art enthusiasts.

Mr Nabil Saidi, Sotheby's oriental manuscripts expert who yesterday took the lead in publicly criticising the company's management, said he had received declarations of support from more than a dozen *other experts.*

"I have received 13 or 14 telephone calls from people saying they felt like I felt," he commented. "There is a lack of communication between the management and staff. "They are taking us for *granted.*"

Another of Sotheby's experts said that, while senior staff felt a tremendous loyalty to the management, many others felt they had been coerced at crowded public meetings into tacitly giving their *support.*

"There has been scaremongering about what the Americans would do," the expert said.

Mr Gordon Brunton, chairman of Sotheby's, said: "There are 300 to 400 experts at Sotheby's and it would look funny if we said support was 100 per cent."

Tilbury dockers stay on strike

THE PORT of London *Authority* board will meet in emergency session today to consider *its financial* plight, after 2,300 Tilbury dockers voted *by two to one yesterday* to continue their official pay strike.

The dispute is causing jobs to be lost. The authority will achieve by the end of this month the reduction of 280 in its 2,000-strong *non-docker* workforce which it had planned for the whole of 1983. It is looking for further cuts.

UK NEWS

Classical music is a popular play on the silver compact disc

DEMAND for the revolutionary new compact disc audio system is outstripping supply. Manufacturers, who launched the equipment less than two months ago while they were still suffering the effects of the video disc's initial failure, are quietly delighted.

The compact disc is a high-quality, digital record system derived from Philips' Laservision video disc. A small laser reads minute pits on the surface of a silvery disc, less than 5 inches in diameter. The disc does not wear out, is hard to damage and has higher quality sound than conventional records.

A comparatively limited number of compact disc players and discs became available at the time of the European launch at the beginning of March. Although the players cost at least £500 and the discs £10 each the early stocks sold out immediately.

The compact disc was launched in Japan last October, where sales far outstripped expectations. By the end of the year 35,000 players and 300,000 discs had been sold. Demand in the four European countries where it is available – the UK, West Germany, France and the Netherlands – has also been strong.

Philips, which has only 150 dealers selling the compact disc in the UK, sold virtually all its initial 1,000 players and has restocked, although there are still back orders. The supply of players and discs is likely to remain restricted for some time.

The newest thing in records, the compact disc, arrived in Europe last month – and was an immediate sell-out. As the market expands, Jason Crisp looks at the reasons for the disc's sudden success and outlines its immediate future.

Companies are trying to keep a careful control on the market. They are nervous after the failure of video discs and the uncontrolled boom in video recorders.

Another reason for the shortage of supply is that the system is being launched in many countries during the next two months, including the rest of Europe, Australasia and Singapore. Plans to launch in the U.S. this autumn may also be brought forward.

The main suppliers of the players in the UK are Philips, Sony, Hitachi and Marantz, a wholly-owned subsidiary of Philips. Pioneer is expected to introduce a system at £600 in May to be followed later this year by Technics (Matsushita), Sharp and Fisher (Sanyo).

Philips says the typical UK purchaser has been older than expected, at least 35, and in the C1/C2/D economic groups. Mr Ray Harris, marketing manager for the Philips compact disc, said: "The slightly older profile than we expected is probably because the repertoire was rather classics-oriented at the beginning."

Classical records also benefit more from the audio disc as most recent recordings have been made by the higher definition digital system. Most of the early titles came from Polygram, which has the only European pressing plant for the discs at Hanover.

Some new titles are becoming available from record companies including CBS, RCA, Chrysalis and Virgin. This month EMI Music, one of the largest record companies, announced that it too was supporting the compact disc.

One reason for the audio disc's apparent success is that all the main consumer electronics and record companies have backed the one system.

Gatwick Airport opens new terminal

GATWICK Airport's new £24m satellite terminal becomes operational today after its formal opening yesterday by the Duchess of Norfolk.

The satellite is the first air terminal outside the U.S. to have an unmanned rapid transit system – an automatic, tracked railcar – to carry passengers to and from the main terminal building.

Two rail coaches, each carrying up to 80 passengers, will run between the satellite and the main terminal in 43 seconds. The rapid transit system was built by Westinghouse of the U.S.

New move for rail union federation

FRESH moves to launch the long-planned but long-delayed federation of British Rail's main unions will be made next week. The federation could be crucial to BR's future industrial relations.

The impetus for the move lies in the succession to the general secretaryship of BR's largest union, the National Union of Railwaymen, of Mr Jimmy Knapp. He was elected with left-wing support.

Funds will benefit richer areas

INTERNAL Manpower Services Commission documents on a proposed adult training strategy, announced last week, make clear that the richer areas of the country with lower unemployment rates will receive a higher share of the funds to be allocated.

The regional priorities point to the use of government spending as a stimulant to the high technology growth sectors and areas – even where that is at the expense of depressed regions.

More UK news on Page 16

BMA campaigns for air route

BRITISH Midland Airways has launched a major publicity campaign in Northern Ireland in support of its application for a licence to operate a service from Heathrow, London, to Belfast.

The airline's decision to opt for the airport at Belfast Harbour, in preference to the main airport at Aldergrove, will intensify the battle between the two airports.

Northern Ireland Airports, which operates Aldergrove, will oppose the BMA application, as will British Airways.

Honda dealer argument ends

THE ACRIMONY that for several years has marked relations between the Motor Agents Association, representing many of the UK's 2,000-plus motorcycle dealers, and market leader Honda UK has ended.

Representatives of the MAA, who in the past have accused Honda of "being hell-bent on destroying its own dealer network," have emerged from talks with senior Honda management to declare that "a new era" had begun at the company.

Tax plan to aid public transport

SPECIAL taxes on petrol, car sales or even company payrolls might be used to help pay for public transport in British cities, according to a new reference book published by Jane's.

The book, Urban Transport Systems, says public transport in British cities is often less heavily subsidised and passengers have to pay more for their travel than in other countries.

Property agency's lettings boost

ENGLISH Industrial Estates, the Government's industrial and commercial property developer, nearly doubled its lettings and sales to new occupiers last year.

EIE said that provisional figures for the year to March 31 indicated a 93 per cent rise from 1.4m to 2.7m sq ft. In the year, EIE let and sold 849 units to new occupiers compared with 398 in 1981-82.

TECHNOLOGY

EDITED BY ALAN CANE

DISNEY TRANSFERS TECHNOLOGY FANTASY FROM FLORIDA TO JAPAN

Tokyo learns Epcot lessons

BY ELAINE WILLIAMS

THE WORD Disney is synonymous with childhood dreams, fantasies and Mickey Mouse. It is as American as the bald-headed eagle or the Stars and Stripes.

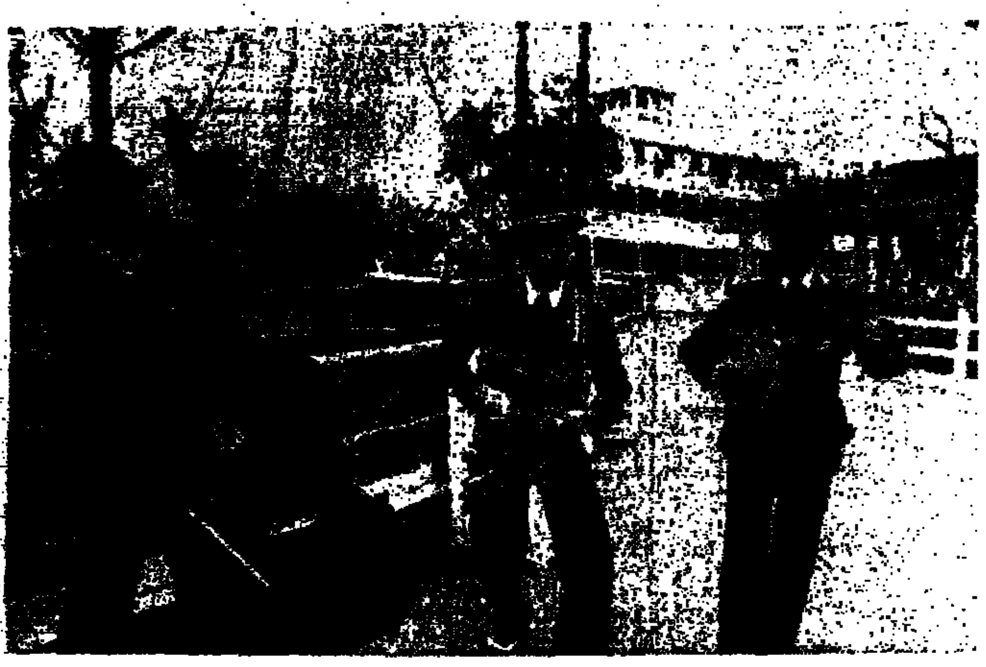
But last week the first Disneyland outside the U.S. opened in Toyko. It is expected to be a considerable money spinner for Walt Disney Productions though the organisation has not put a single penny into its development.

The Japanese project is the brainchild of the Oriental Land Company, which started negotiations with Disney in 1974 but did not secure agreement until 1979.

Walt Disney, which will receive a percentage of the takings of the Japanese Disneyland for the next 45 years, provided much of the technical knowhow to run such a dream world.

It has been able to draw upon the expertise Disney Productions gained during the building of its two famous theme parks in California and Florida and, more recently, the construction of EPCOT, Disney's largest investment ever.

EPCOT, standing for Experimental Prototype Community of Tomorrow cost nearly US$1bn. The idea was to allow the public to see and touch the technology of today and tomorrow. It was envisioned in surprising detail by Walt Disney himself in 1955 but funds were not committed to the project until three years ago.



Glyn Genin

"Mississippi" musicians, Japanese, style, entertain visitors to Tokyo's new Disneyland

Go-ahead

Once the go-ahead was given an opening date was set for 9.00 am on October 1, 1982. The legend at the company goes that the Tishman company, the architects who were contracted to build the complex, commented that it hardly seemed like enough time. Mr Card Walker, the then president and chief executive of Disney, is reported to have paused for a moment before saying: "How about 9.30?"

If EPCOT was a challenge for the builders it was a nightmare for the technologists who had to develop the computer systems which have to run also every aspect of the EPCOT operation from the hotel reservations, stock control of the shops, electronic point of sale terminals to the entertainment, the rides and animated characters that make up the magic of Disney.

Mr Jack Cornwell, director of Management Information at Walt Disney Productions, explained that the specifications for EPCOT were extremely detailed and a computer based text editing system had to be developed so that the designers could produce the specifications. About 9,000 individual files were entered and stored on their large computer to produced 79,000 pages of specification — duplicated as many as 100 times. This was to allow 20 major and 500 subcontractors to bid.

Once the bidding was over, materials from girders to dinosaurs started appearing on the construction site. Computers were then harnessed to keep track of the inventory, and ensure that the flow of equipment and materials to the worksite was in the right order to meet the tight time schedule.

"Purchasing, material control, shipping and receiving and all project co-ordinating functions in California and Florida were able to have on-line access to and update common files," Mr Cornwell said.

Even staff recruitment, career development and work schedules are carried out with the aid of the computer. Supervisors use the system to create work schedules so that every ride, food location and shop is adequately covered. The computer program takes into account hourly, daily and seasonal fluctuations in the crowds, the shifts involved and the variety of job functions needed.

Real fun

Disney also has one of the most sophisticated hotel reservation systems in the world. It is possible to book a room up to 10 years ahead. Much of the administrative systems are run on large Sperry computers. Sperry has been involved with Disney since it took over RCA's computer activities in 1971.

But entertainment and education are the main purposes of EPCOT. As Mr Cornwell put it: "the real fun starts when you begin to apply computers to the actual operation of the attractions."

There are 12 different real time control systems using 45 minicomputers and more than 1,000 microcomputers. The company's first entry into the era of real time control was in 1971 with the Digital Animation Control System or DACS. Now three dimensional, historical and cartoon figures (known as audio-animatronics) are created using DACs and are the centrepiece of many shows and attractions at EPCOT.

The system was upgraded for Tokyo Disneyland and EPCOT. It allows an artist or animator to sit behind a special console and programme the intricate moves of each figure as well as the lights, sound, curtains and doors to create a complete show.

Once the programming is over, a monitoring system called MACS takes over to synchronise shows and detect faults in equipment. Then there is the General Purpose Ride Control System which looks after boats, cars and moving rides. It takes anything from one to 10 microprocessors to look after a ride.

Through a colour graphic touch sensitive terminal, the ride operator monitors the tracks for the ride, control switches, ride status. The computer system scans the entire ride every 10 seconds so that safety commands can be issued to adjust to varying ride conditions. Much of this technology has been transferred to Japan for the new Disneyland.

CONVERGENT DIVERGES INTO PORTABLE COMPUTERS

Is this the executive toy for the electronic office?

BY RAYMOND SNODDY

CONVERGENT Technologies, the California-based manufacturer of intelligent work stations, is planning a major divergence.

The company, whose dramatic growth has been based on bringing the power of a small mainframe computer to individual desks is moving to the other end of the market with a small portable tool for businessmen and engineers.

The new product is called Ultra and it will be launched in November at less than $1,000.

Ultra measures 8½ in by 10½ in by ¾ in thick, and will carry out the role of calendar, address book, diary and part dictation machine. It will be able to handle anything involving lists or arrays of information.

"When a businessman sees one he will want it," Mr Allen Mitchels, president and chief executive of Convergent, said confidently in London last week.

And although he was keeping the precise details of the new product close to his chest it is clear that Ultra will have a lot of calculating power, and be able to run business programs, have a screen for displaying information and an integral modem so that it can be plugged into a telephone to connect with computers inside or outside a company.

It will have its own batteries for use on planes and trains and a miniature tape recorder.

Convergent has set up a separate division to produce the personal portable workstation and plans to develop a whole family of the devices aimed at —by Convergent's usual standards—the mass market.

Convergent, which was founded in August 1979 by Mitchels and Bob Garrow, both of whom had been working for Intel, the microchip manufacturer, has been primarily an original equipment manufacturer (OEM). Its main customers are Burroughs, NCR and C-3.

But Ultra will be sold under Convergent's own name and marketed in top retail stores.

Growth at Convergent has been spectacular even by California computer standards. Revenue in 1980 was $307,000. In 1981, the first full year when products were being shipped, it was $10m and in 1982 $94.7m.

The staff at Convergent now total 700—170 of them in research and development—and Mitchels says no organisation in the world can keep replicating its skills and culture at the rate they've been doing "without screwing things up." We are going to continue being what we are but at a more sane pace," Allen Mitchels said.

That, he believes, means growth this year of between 50 per cent to 100 per cent.

Success

Convergent's success so far has been based on providing multifunction workstations cheap enough to be dedicated to a single user but with their own self-contained computing power. They are able to handle both text, number processing and graphics and can be grouped in clusters sharing common data bases.

But despite the rapid growth, Allen Mitchels, aware of growing competition and a product life cycle that was coming down to 18 months, last July called a meeting to consider the future. Ultra was one of the ideas that came out of the two-day "retreat." Another was Megaframe, a new 32-bit super mini-computer to be launched next month.

"These products didn't exist in concept at this time last year," says Mitchels.

Megaframe is designed around a collection of multi-processors which run simultaneously. The number of processor's can be increased to as many as 36 as the customers needs grow.

"It is designed to continue to grow and never run out of steam," says Mr Robert Groves, Convergent's international vice-president, based in the UK.

A Megaframe for eight users will cost around $22,000, for 64 users $84,000 and the 128 terminal model which can handle 4m instructions per second (mips) will cost in the region of $140,000.

The company has set up a separate data systems division to develop and manufacture the new super mini which it sees as competitive with Digital Equipment Company's (DEC) VAX 750 and the Hewlett Packard 3000. "Product competition in maturing markets is a fact we had to deal with. That's why an array of new products are essential," says Mitchels, who spent 11 years at DEC—"the second best company in the world"—before moving to Intel.

To fund the stream of new developments Convergent has built up a "warchest" of $120m through the offer last year of 4.8m shares.

The customer base for its original products is also growing. Last month, Convergent signed an agreement with Prime Computer and next week another such agreement with Gould/SEL will be announced.

Convergent is also hoping to expand in Europe. Mitchels, on his first business trip to Britain, said he was optimistic that it would lead to deals in the UK.

But although things seem to be going well for Convergent, Mitchels laughs, puffs at his cigar and says: "I'm waiting for some bolt out of the sky to zap us. I'm superstitious."

Computing

Sord's home computer

SORD, THE fast growing Japanese microcomputer company, has launched its M5 home computer in the UK. It costs £189.95 and is based around the Z80A processor. As is now customary, a domestic television set can be used as the display and audio cassette and parallel printer interfaces are provided.

The company has reached agreement with Computer Games Limited to market the M5 through its dealers.

The company also announced a low cost local area network, SORD S-NET, which will take up to 32 Sord Network Stations communication units and a maximum of 128 terminals.

It can be connected to other computer networks. Sord in the UK is on 01-930 4214.

Cash handling

Mars Money stops '£1' slugs

EVEN IF the new £1 coin is having a mixed reception among the general public, it seems likely to present welcome new opportunities to that part of the criminal fraternity specialising in coin vending fraud.

The reason of course, is the higher value: it will be more worthwhile to create metal discs simulating the pound coin than it was for the 50p piece—and that caused a good deal of trouble for the vending industry.

Over the years fraudulent coins have appeared in various forms, from the humble engineering washer to numerous foreign coins that have similar characteristics to higher value British coins. Similar weight "slugs" too, can quite easily be turned up on a lathe from suitable bar stock.

Mars Money Systems however, is countering the crook with a microprocessor controlled, programmable coin handling mechanism that uses three radio frequency sensors to identify metal discs with high accuracy.

When the disc is pushed into the system, it first encounters a pair of coils that are part of a high frequency oscillator circuit: the frequency is changed by an amount proportional to the thickness of the coin.

It then passes two other, lower frequency coils, one transmitting and the other receiving a signal that passes through the coin: the drop in signal strength measures the resistivity and magnetic properties of the metal. Finally, another dual coil sensor can derive size (usually diameter), and shape.

All this data is fed in milliseconds to the micro which is programmed to accept only certain known discs. Anything else is detected and rejected. Mars Money is on 0753 70921.

THE MANAGEMENT PAGE

Little in common but profits

Raymond Snoddy on the unusual style of the head of a UK conglomerate

THE DETACHED house in London's St John's Wood behind Lords cricket ground could be a doctor's surgery.

The only indication that 45 Circus Road is the headquarters of an organisation with an annual turnover of £180m is a brass plate on a gate post and in the hall a wooden plaque listing the principal subsidiaries.

The company is Grovewood Securities, an industrial holding company which comprises nearly 100 companies in 25 groups employing nearly 7,000 people. They cover everything from Brands Hatch motor racing circuit, merchant banking services and building services to baby carriages, agricultural machinery, scientific instruments and medical services.

For nearly 30 years Grovewood has been run by John Danny, a barrister-entrepreneur who has turned a company set up to provide respectable homes for women workers during the First World War—men were only allowed to visit during the day—into one of Britain's most unusual conglomerates. Danny runs a tight ship—his headquarters is staffed by just seven managers and seven secretaries and costs £450,000 a year.

In the 1960s, when Brands Hatch was a significant part of Grovewood's operations, Danny appeared in the newspapers as an E-type Jaguar driving gourmet and theatre lover. But in recent years Danny—chairman and chief executive and who now travels in a chauffeur-driven Rolls—has kept a deliberately low profile. He tends to break cover once a year when he announces the results of Grovewood, which has been a subsidiary of the Eagle Star insurance group since 1975.

Then, around this time of year, Danny places his annual advertisements. The ones which appeared this week said: "£17m pre-tax profit for 1982—increase £1.2m—the 15th successive year of record profit." This was a quarter of Eagle Star's profits.

It goes on to say how Danny is always looking for the right company to buy and explains: "Entrepreneurs sell to us part of their shareholdings, retaining managerial control and we purchase the balance over periods suitable to them."

The record of consistent, if sometimes unspectacular profit from companies with little apparent in common is unusual, particularly as some of those profits are being produced from companies in sectors hard hit by recession—though last year Grovewood had one of its rare casualties. Dunsters, makers of wooden television cabinets, had to be closed down with 100 redundancies because its market simply disappeared.

Hugh Routledge

John Danny: "I don't think I could work with a thundering bore"

But more unusual than the profit record at Grovewood is John Danny's managerial philosophy. When he is going to buy a company he looks not at industries or products but at people he can like, trust and work with. And when he has chosen they are allowed to get on with it.

Many of his really important decisions are taken at his own table at Claridge's. Grovewood, he laughs, only really begins to function as an enterprise at lunchtime.

Danny finds some of his companies from corporate marriage brokers, word-of-mouth or personal recommendations.

Others come as offers in the post, such as V.G. Instruments, manufacturers of spectrometers and one of the most successful in the group.

He doesn't use merchant banks much. "They tend to ask what industry are you interested in. My answer is I am interested in people," says Danny, who is a qualified company secretary as well as a barrister and an enthusiastic student of psychology.

If he is still interested in buying a company after looking at its record and carrying out searches he invites the owner to lunch at Claridge's.

Apart from being experts in their field they must be able to laugh. "I don't think I could work with a thundering bore and they have got to be, in the very old fashioned sense of the word, 'nice,' someone whose character is right," he says.

Some sectors of industry John Danny has little taste for. "I don't like print, paint, furniture or textiles." He also admits that, in general, he views high technology as too risky and beyond his competence to make wise judgments.

Danny usually buys 10 per cent of a company in the beginning, with an agreement to buy the rest over a period of, say, six years. The price of later slices is governed by profits.

"There is no upper limit and everything to work for," he says.

When their ownership is finally bought out he leaves them as local kings in their neighbourhood. He says he does everything he can to increase their status, never makes surprise visits and invites diverse groups of his managers for regular informal lunches in the best London hotels where they can discuss their problems.

The lunching method of management is of course backed up by detailed monthly reports received from all subsidiaries and overall budgets and policies are set by Grovewood senior management.

Danny believes he absorbed a sense of the importance of motivating people when he was for some years a management engineer on the staff of American consultants, Stevenson Jordan and Harrison.

On the other side of the fence Michael Rogers, managing director of Grovewood's medical services group, which includes everything from nursing homes to doctors' deputising services, says simply: "The main thing is freedom from stress. You are trusted to get on with it."

Danny first became involved with what was to become Grovewood in 1952. He was asked to sort out a legal tangle over the flats for women and stayed. He realised there was little financial future in flats in which men were not allowed to live and turned the company towards industry.

Danny built up his family stake in Grovewood to 30 per cent—at first by underwriting shares. Eagle Star, which had been involved in financing purchases, held 26 per cent. In 1975 he decided to sell out to Eagle Star—for the same reason many of his clients sell to Grovewood—to raise money for his family and friends.

One problem facing Grovewood is what happens when Danny, who did every deal himself and knows every manager, retires when his contract runs out in three years' time.

"Grovewood is a very delicate mechanism and if Eagle Star put in one of their accountants or actuaries it could be ruined in a few years," says Danny. He believes it could be best run by an entrepreneur like himself—someone with a direct financial stake in its success.

Sir Denis Mountain, chairman of Eagle Star, says Grovewood is unique and finding a successor to Danny will be difficult. "It is run by an entrepreneur and they don't grow on trees," says Sir Denis.

Danny is clear what he wants to do when he retires. He plans to get back to setting up and helping to run new companies, perhaps in high technology, which were too small or too risky to add to the Grovewood portfolio.

'Ego ideals': the key to a new career?

WHAT WAS the first thing you did that pleased your mother? And what would you like your epitaph or obituary to say?

The answers to these questions, believe it or not, should contain the key to whether or not a manager could, or should, embark on a second career—the dream of many frustrated individuals who feel trapped inside unsatisfactory jobs.

So says Harry Levinson, an industrial psychologist, writing in the latest issue* of Harvard Business Review. He warns, however, that the reasons for thinking about a new career are not always positive.

Levinson believes that people strive toward but never achieve their ego ideals. With successive accomplishments, aspirations rise. But when the gap widens between one's ego ideal and one's current self-image the angrier one is at oneself and the more inadequate, guilty and depressed one feels.

Some people want to change, he says, because they are always dissatisfied with themselves; others are depressed and angry, and believe they are more talented or capable than they really are.

Seeking a new career for these reasons is an exercise in futility, he says. "If a manager blames the job, the boss, or the company when the source of his discontent is really himself, his second career is likely to be as disappointing as his first. Therefore a manager, before embarking on choosing a second career, must have an honest picture of himself and understand the changes he probably will go through."

Asking himself questions about his childhood and personal aspirations will help work out what, in Levinson's jargon, is called an individual's "ego ideal," otherwise defined as one's ideal future image.

His view is that "a careful review of family history and school and work experiences can go a long way in outlining the needs that are important to the ego ideal."

March-April 1983. Reprints from Reprints Service, HBR, Boston, MA 02163, U.S.A. Telex TWX 710-320-6737.

Arnold Kransdorff

JAL's circular route to winning back customers

BY CHARLES SMITH

JAPAN Air Lines has revived what it says is an idea from the country's feudal past to re-establish the morale of its staff and win back the confidence of customers following a series of disastrous incidents which undermined the company's reputation in 1982.

The idea, in very simple terms, consists of having managers and staff sit in circles for hours on end on the rush mat floors of temples or old-style Japanese restaurants discussing the company's performance. The scheme involves JAL offices in provincial cities such as Sapporo and Fukuoka.

JAL calls these meetings *kuruma-za*, or "sit-in-a-circle" meetings. It claims that *kuruma-za* were held regularly in pre-modern Japan to settle the affairs of local communities. In today's Japan families or groups of relatives occasionally hold similar meetings.

The JAL *kuruma-za* meetings differ from the better known quality circles (QC) that are popular with many Japanese companies in that they include both management and rank and file workers. They also differ in the numbers involved. JAL's regional offices frequently employ more than 100 staff members (including management), all of whom would normally be invited to participate in circle meetings.

Attendance is voluntary (and unpaid) but appears to have been overwhelming at most of the meetings so far held. The "programme" at each *kuruma-za* consists, apart from a short introductory speech by a senior manager, of spontaneous contributions from rank and file employees on the theme of how to get business moving again after the setbacks of 1982.

The point of holding the *kuruma-za* meetings in temples or traditional Japanese restaurants, according to Matsuo Toshimitsu, the JAL executive vice-president in charge of marketing, who helped to initiate the idea in the first place, is to create a sense of informality that would be lacking if everyone sat at inhibiting western chairs and tables.

Toshimitsu adds that the circular lay-out of the meetings abolishes the "sense of rank" and makes everyone feel equal.

Kuruma-za meetings form part of JAL's marketing response following the disastrous slump in the company's domestic passenger traffic last year after the bizarre "February 9 incident," in which a pilot who was later declared to be acutely schizophrenic, flew a DC 8 aircraft into the shallow waters of Tokyo Bay.

Glyn Genin

Matsuo Toshimitsu: called on Japan's feudal past

JAL's domestic traffic in January 1982 was running at roughly the same levels as a year earlier but dipped by 11 to 15 per cent during the next three months. The dip was particularly sharp on the all-important Tokyo-Sapporo route (Japan's busiest single air route) where JAL's share of traffic fell—to the benefit of its main competitor, All Nippon Airways—from over 50 per cent to not much more than 40 per cent.

Toshimitsu says he would like to see some of JAL's overseas offices institute something comparable to *kuruma-za* meetings in future—though he concedes there might be problems *about sitting on the floor*.

The exact contribution that the *kuruma-za* meetings have made to JAL's efforts to pull its business together is, naturally, debatable. Toshimitsu points, however, to several encouraging things that have happened since the meetings started. One has been a flow of new ideas on ways to sell more tickets on domestic services.

JAL astonished its passengers on February 14 (St Valentine's Day) by handing out free boxes of chocolates to everyone. Since the end of 1982 the airline has been presenting gifts, ranging from inflatable jumbo jets to ladies' umbrellas, to anyone who can produce three used boarding card stubs from JAL domestic flights.

Another sales gimmick, which Toshimitsu claims has been highly successful, has involved the stationing of special "lobby agents" in the forecourts of Japanese domestic airports whose job is to help passengers with their luggage.

JAL's gift programme has led to a "gift war" with All Nippon Airways, but there seems to be very little doubt that the programme has been getting results. In February JAL's domestic traffic bounced back with a 15.3 per cent increase over 1982 levels, while its domestic load factors exceeded those of All Nippon Airways (on domestic trunk routes) for the first time in four and a half years.

UK TRADING PRACTICES

How small print disclaimers mislead the consumer

By Clive Wolman

THE LIONS of Longleat wildlife park would purr with malicious satisfaction if they could read the words engraved on the metal notice-board by the ticket office at the entrance to the park.

The chimpanzees, who have caused several injuries in recent years, might be tempted to go on another rampage if they could understand the legalese which greets visitors as they drive into the Wiltshire park owned by Lord Bath.

But the notice, which misleads the public by seeking to deny them their legal rights if they are attacked by the animals, is one of several dozen around the country to have incurred the wrath of Sir Gordon Borrie, director-general at the Office of Fair Trading.

At issue is the Unfair Contract Terms Act, which Lord Denning, in his last case before retiring as Master of the Rolls last year, said brought about the most important change in civil law in our time. In line with other Western countries, Parliament passed the Act in 1977 to stop companies using small print on standard forms to shield themselves from any responsibility for the fate of their customers when their products or services were being used.

Longleat, for example, used to have the possibility of avoiding any liability to pay compensation if a lion attacked and broke into a visitor's car, as happened in 1968—or even if it mauled to death those inside.

Even today, 5½ years since the Act was passed, the notice-board at Longleat defiantly claims that the park "will not accept any liability whatsoever for loss of life or personal injury to any person . . . caused by the negligence, breach of statutory duty or any act or default whatsoever of the company, its servants or agents."

Three weeks ago, Sir Gordon attacked traders who continue to use such clauses after Parliament has declared them null and void. He said: "I can only suppose that such traders are either unaware of the law or else deliberately trying to mislead the public, hoping that many will be deterred from seeking redress by phrases which appear to be a legally-based denial of their rights."

Insurance broker's advice about park notices

When asked why he was displaying such a notice, Mr Roger Crawley, manager of the Longleat safari park, said that he had been advised to do so by his insurance broker, W. J. Bailey Insurance, of Staines. He added that all the notices had been reviewed since 1977.

Mr. Peter Hobbs, of W. J. Bailey, said: "The notices were amended slightly at Longleat after the Act was passed, but it was early days. It was too early to see what the impact would be of the Act."

Mr Geoffrey Vaughan-Davies, of the OFT's legal section, was dismissive of his argument. "The simple words of section 2 of the Act make it clear what the impact would be," he said. "It says that you cannot exclude liability for personal injury resulting from negligence."

Not that Longleat is the only offender. An investigation by the Office of Fair Trading though its Trading Standards departments around the country showed that car hire firms were the most frequent users of exemption clauses. The small print in their contracts frequently informs customers that they will accept no responsibility even if a defect in one of their cars causes an accident and injury.

Car-wash firms, whose brushes may go haywire and inflict damage on the car bodywork of

Clauses not worth the paper they are written on

their customers, and furniture removal firms, whose hauliers sometimes wreak havoc on the family furniture, are also among the most common users of exemption clauses which would be thrown out by any court.

Another ploy that companies use is to insist that their customers sign forms which state that they agree not to take any legal action against the company, no matter what damage they may suffer. The signature in fact has no legal effect as the clauses themselves are null and void.

One such company discovered by the Financial Times was running an ear-piercing service in a wig department which it operates as a concession in Allders department store in Croydon. The document, which all customers have been obliged to sign, states that the company, Floridan, will not accept any responsibility "for any acts, defaults or omissions . . . howsoever caused resulting in any damage injury or loss whatsoever to the customer."

One irate customer complained to the local citizens' advice bureau whose solicitor in turn complained to the Oxfordshire-based company—to no avail. According to manageress Ms Ann Walker: "I have been told to give these forms to everybody to sign. If they ask why, we tell them that it does not mean anything, but they have to do it."

Mr Barry Fitchett, Floridan marketing manager, admitted that his company received a variety of complaints when their customers suffered ear infections. "But nine times out of 10, the person set up the infection herself," he said. "It is difficult to prove what really happened. We do not want silly claims," he said.

However, he would consider withdrawing the clause as it had no legal effect.

Mr Clive Newton, director of consumer affairs at the Office of Fair Trading, said that in many cases companies continued to use exemption clauses because they were not aware that the law had changed. It was "a perpetual problem for the small businessman" to keep up with all the changes in the civil law.

But even large companies relying on regular professional legal advice are often less than enthusiastic about changing their notices to keep up with the law and to stop their customers being misled. For example, the Scottish ferry company, Caledonian MacBrayne, continued to display null and void exemption clauses on some routes for four years after the Act was passed—even though, according to its solicitor, Mr Arthur Houston, a revised "official" set of Conditions of Carriage had already come into force.

Insurance companies, which normally have to pick up the bill for legal claims against small companies are often well aware that their clients may be seeking to rely on void clauses but they do not point this out to them.

The General Accident group, one of Longleat's insurance companies, sends its surveyors to the park to advise on the notice boards and safety arrangements. Mr Hugh Morrison, superintendent at the liabilities department, said: "We tend to keep a low profile on exclusion clauses on boards. We recognise that they are not worth the paper they are written on from a legal point of view but they can still act as a deterrent. Someone who sees it may be more careful."

Hugh Routledge

Lions at Longleat and one of the disclaimer notices on display at the park's ticket office

Sir Gordon Borrie has warned that unless traders stop using no - responsibility - accepted clauses ruled out by the 1977 Act, he will ask the Secretary of State for Trade to make their use a criminal offence. Such a step was taken in 1976 to deter traders from inserting void clauses in hire-purchase agreements and in contracts for the sale of goods to members of the public. Last year 36 traders were fined a total of £15,000 for committing the offence.

Mr Newton said: "It is amazing how quiescent the public is. They are very easily put off from making a claim by this sort of notice—and that is why there is a need for the criminal law in certain cases."

Lord Denning is sceptical: "It is not the proper sphere for the criminal law," he said. "I would look for some other way of persuading traders to behave responsibly."

Sometimes the consumer faces complex legal problems in fighting an exclusion clause. While a clause that seeks to disclaim responsibility for death or personal injury never has any legal effect, disclaimers of responsibility for damage to property or other loss are subject to a test of "reasonableness" under the Act.

There was considerable doubt as to how the judges would decide whether a clause was reasonable or not. But the two leading cases, decided over the last two years, give encouragement for consumers.

In one case, a Dixons photographic development shop in Exeter lost a film of the only photographs of a wedding. An exemption clause relied on by Dixons sought to limit the compensation it should pay to the cost of the film. But the Crown Court judge ordered it to pay compensation also for the distress suffered by the photographer, a friend of the married couple.

The other case involved the purchase of a house where the vendor's solicitor failed to mention a dispute over the fences around the property. He sought to rely on an exemption clause which said that no guarantee could be given for the accuracy of his replies. The judge decided against him.

The wedding photographer was represented in his court case by Mr David Tench, legal adviser of the Consumers' Association, which was responsible for sponsoring the 1977 Bill and pushing it through Parliament. "The Act meant a transformation in our legal structure," he said. "But after three years it did not appear to be having enough effect, so we thought it was time to stir things up a bit."

He has been pressing the Government to bring the criminal law into play to back up the provisions of the Act and complains that even large companies, including nationalised ones such as British Rail, have been unduly slow in updating their conditions in line with the Act. But, he said, "in recent months we've seen several signs that the message has started to get through. The Act is certainly our most important contribution to consumer legislation."

APPOINTMENTS

Senior position at Grand Met Leisure

Mr G. Michael Guthrie has been appointed to the new post of chairman and managing director, GRAND METROPOLITAN LEISURE AND HOLIDAYS. He continues as chairman and managing director of Mecca Leisure and will in addition be responsible for running Grand Metropolitan's holiday activities including Warner Holiday Centres, Nova and Stardust/Camelot Holidays. He replaces Mr E. H. S. (Bill) Warner as chairman and managing director of Warner Holidays, but Mr Warner will continue as a non-executive director of that company as well as of Mecca Holdings.

★

Following the acquisition by Charter Consolidated of a controlling interest in the company, Sir Monty Finniston has resigned as chairman of ANDERSON STRATHCLYDE. Mr Geoffrey A. Higham has been appointed to the board of Anderson Strathclyde and elected chairman. Mr Higham is an executive director of Charter Consolidated and also chairman of Cape Industries.

★

INTASUN LEISURE GROUP has appointed Mr Peter Woodward as deputy chief executive in addition to his role as financial director. He joined the group in 1973.

★

Mr D. R. Taylor at present an assistant general manager, has been appointed a general manager of HALIFAX BUILDING SOCIETY.

★

Mr Michael J. Lucas, founder and head of Michael J Lucas and Co, has joined the board of FARMAR, Cheltenham-based computer service for farmers.

★

Mr Lewis Wilkinson, formerly the CO-OPERATIVE BANK'S assistant general manager (central services), has been appointed general manager (administration).

★

Mr Eric Molyneux has been appointed head of THE INDUSTRIAL SOCIETY'S commercial department with overall responsibility for campaigns for effective leadership, communication and productive industrial relations in all commercial organisations.

★

Mr A. J. Basil Mawdsley, the finance director of International Thomson Organisation, has been appointed to the board of WIGHAM POLAND HOLDINGS. He replaces Mr Ian Clubb, who left International Thomson to take a senior position with Woodside Petroleum in Australia.

★

Mr Nigel Burton, has joined HAMBRO LIFE ASSURANCE as head of international operations.

★

Mr Arnold Jewitt has been appointed to the main board of EUROFI (UK) with responsibility for co-ordinating funding for high technology projects. He previously directed the European and marketing division of ICL, and has been an associate director of EUROFI (UK) since 1981.

★

TOUCHE ROSS & CO has admitted the following partners: Mr Nicholas J. Benbow (Birmingham), Mr Paul V. Bower (Leicester), Mr John N. Christie (London), Mr Stuart R. Counsell (Newcastle), Mr Ian P. Hamilton (London), Mr Richard M. Norton (London), Mr A. G. (Gerry) Paisley (London), Mr Andrew S. Peters (Birmingham), Mr Ralph S. Preece (Birmingham), Mr John P. Richards (London), Mr K. Nicholas Simons (executive office), Mr Eric G. Tomsett (London), Mr Henry W. Warren (Plymouth). Mr A. R. West becomes a partner with Touche Ross and Co Management Consultants.

★

Mr Colin Kidd has been appointed vice-president and general manager, Europe, for MENTOR GRAPHICS, a UK subsidiary of Mentor Graphics Corp, Portland, Oregon. He joins from Intersil Datel, where he was vice-president international, and will be based in England.

INTERNATIONAL TEXTILE TRADE

Hong Kong takes a buffeting

By Anthony Moreton, recently in Hong Kong

HONG KONG'S vital textile industry is being seriously buffeted by the twin forces of international recession and changes in world trading patterns.

Production of both cotton yarn and cotton piece goods has been falling steadily in recent years because of four main factors

Firstly, the Hong Kong industry has "moved up market," being replaced as a producer of low cost goods by countries such as South Korea, Taiwan, Indonesia and, in particular, China. Secondly, the recession has cut world trade generally.

Thirdly, European buyers have begun to see attractions in cheap suppliers nearer home, such as Portugal, where goods can be ordered and delivered in days rather than weeks. The attractions of visiting and buying from Hong Kong have diminished as company budgets have tightened.

Concerns like British Home Stores and Tern shirts in Britain, for instance, have been questioning whether it is sensible in a highly fashion-conscious business to put quite such emphasis on buying from a market 8,000 miles away with its long lead times—four weeks to ship goods by sea to Europe—when they can get supplies nearer home—dearer perhaps but responding more quickly to fashion changes.

Fourthly, the problem for Hong Kong has been exacerbated as the Multi-Fibre Arrangement, the world agreement which covers most trade in textiles and garments, offers the colony almost no growth in sales to affluent Western markets over the next four years.

When the first MFA was signed in 1974 Hong Kong was guaranteed an extra 6 per cent a year in exports to the West. Four years later, when the agreement was renegotiated, Hong Kong had been cut back to a little over 1 per cent growth. This year, with the third MFA, Hong Kong has been given "zero growth"—a little more in some areas matched by a little less in others.

Miss Lydia Dunn, the newly-appointed chairman of the powerful Trade Development Council, is particularly upset about the MFA. "The restrictions placed on us by the EEC were for political rather than economic reasons," she says. "We are particularly apprehensive and want to see a more liberal arrangement in future.

"*This is an open economy.* We take everyone's goods without any tariff barriers and don't see why you in Britain and Europe should not be more liberal. We would prefer total trade liberalism."

The council will be deeply involved in any extension to the MFA when it is renegotiated in 1985 or 1986.

According to Miss Dunn, "one of the primary myths, that Hong Kong is a low-cost producer and responsible for job losses in Lancashire, is simply not true.

"In many cases America is cheaper as a production centre than Hong Kong. In fact, parts of Britain are, too."

Mr Stephen Cheong, managing director of Lee Wah Weaving Factory in Kowloon, adds: "We have developed our own local talents. We have our own designers such as Eddie Lau, Hannah Pang, Jennie Lewis and Diane Fries. They can all be seen in places like Harrods in London and Sachs in New York."

As the colony has been replaced as a low-cost producer, so output has fallen. Since 1970, when production of primary textiles such as unbleached cloth peaked in the colony, the number of spindles in use has fallen from around 1m to half that figure.

There was a time, before 1970, when the name Hong Kong was almost synonymous with cheap and rather nasty shirts, shoes, socks and sandals. Whatever the truth of the allegations then, they are no longer valid. The danger now is that Hong Kong could be priced out of its main export markets in the U.S., Germany and Britain by its competitors on its doorstep and those in southern Europe.

Despite these pressures, though, textiles and garments should continue to play a dominant part in the economy.

"It is not easy for us to diversify out of textiles," says Mr Jimmy McGregor, director of the influential Chamber of Commerce.

"The two sectors account for a third of domestic production and over 40 per cent of exports of manufactured goods. They employ almost half the workforce in manufacturing industry and textile exports are more than twice those of electronics, the next most important group.

"Textiles and clothing must remain our core industry for at least the next 10 to 15 years, even if we are moving up-market."

Hong Kong can still produce clothes relatively cheaply because its productivity is high, labour is hard-working and adaptable, and employers are willing to invest in new machinery, helped by a favourable taxation system: there are virtually no corporate taxes and only 270,000 of the colony's 5.2m people pay salaries tax.

Employers are helped by the virtual absence of any social charges. They have to meet few overheads, such as the provision of canteen facilities, and no national insurance charges. There are no pensions, each worker having to provide for himself or herself, and, apart from a very good hospital service, no subsidised or free health service.

Companies also benefit from the ability to use outworkers. One such is Mrs Irene Chi who lives on the top of a 27-storey block of flats in Tuen Mun, a new town in the New Territories. Her flat comprises one room, kitchen and bathroom for herself, husband and two children. For this she pays £31 a month. In a partitioned-off part of the room, which is both bedroom and living-room, is a sewing machine. She sews back pockets onto jeans and, getting perhaps 3p to 5p a pocket, she might make £2 or so a day.

Many manufacturers are coy when asked if they use outworkers, but not Mr David Wong, manager of Lit Hap Shoes. "We use a lot of them, perhaps as many as 50. They get 10c a pair for stitching and can probably do 200 to 250 a day, which gives them between £2 and £2.50."

The outworkers are a reminder of the "sweatshop" image which once characterised the Hong Kong industry. Although very poor factory conditions can still be found, they are no longer particularly representative of the industry as a whole.

At the Tai Nam Shoes Manufactory, in Fa Yuen St, Kowloon, a hundred employees produce shoes in what to Western eyes are very poor conditions. The workers share a space that would be occupied by 20 people at most in Britain.

They sit cheek-by-jowl with their raw materials, some of them noxious, and have no social facilities. To get into the factory, on the fifth floor of an industrial block, you have to climb over a machinist from another company who is turning out jeans on the landing.

Mr Ho Lit Yen, the managing director, says the factory produces 600,000 pairs a year, many of them destined for Britain. He gets $HK 18 a pair (£1.80) for his stylish-looking PVC shoes—copied from a shop window in London's Oxford Street—and knows of a man who produces ladies' slippers at HK$ 5.95 (59p) a pair. "There is no way we could compete with that," he says indignantly. "The material alone cost HK$10. They are squeezing us."

The modern, and more representative, face of Hong Kong is not Tai Nam Shoes but Fang Brothers, with up-to-date machinery in conditions equal to anything in the West.

Mr Kenneth Fang, executive director of Fang Brothers Knitting, in Kwai Chung, part of the New Territories, introduced me to one girl who earns £500 a month, comparable to, if not better than, many European rates.

"The pay here averages £200 to £300 a month, but we have some girls who get well above this. They work on highly specialised machinery and have to be extremely dexterus to get top rates."

Wages have been rising to levels that surprise many Europeans. Mr S. K. Chan, chairman of Yangtzekiang Garment Manufacturing Company on Kowloon's Tai Yau St, and the garment manufacturers' president, says his workers get around HK$ 2,600 (about £260) a month for an eight-hour, six-day week, an average payment in the industry. Six-day working is common throughout Hong Kong for blue-collar staff, with 5½ days the norm for office workers.

The rise in wages is one indicator that is being watched very carefully, and with some concern within the industry. The *other is the state of the American economy.* For despite its political ties with Britain, Hong Kong's main market is the U.S., to which some 37 per cent of exports are sent.

HONG KONG TEXTILE PRODUCTION

	1976	1977	1980	1981	1982	% fall 1977-82
Cotton yarn (m kgs)	196	169	164	129	126	35
Cotton piece goods (m mtrs)	822	676	661	616	515	48

MAJOR EXPORT MARKETS

(Hong Kong's leading markets for textiles and clothing exports in 1982)

Market	Value (HK$m)	% share
World	33,875.9	100.0
of which:		
U.S.	12,185.6	36.0
W. Germany	4,409.5	13.0
UK	3,882.4	11.5
Japan	1,339.7	4.0
China	1,162.5	3.4
Australia	1,065.6	3.1
Canada	1,005.7	3.0
Switzerland	825.5	2.4
Sweden	802.6	2.4
(EEC)	(10,000.4)	(29.5)

Source: Hong Kong Trade Statistics

LYDIA DUNN
Fighting trade barriers

CONTRACTS

£9m filters order for Delfilt

DELFILT, Bath-based liquids/solids separation specialist, has received a contract, worth about £9m, from Zambia Consolidated Copper Mines for the supply of 26 80 sq metres DELKOR filters for the tailings leach plant, stage 3 project at the Chingola division metallurgical processing complex. Six of the filters are to be used to partially dewater 1.5m tonnes/month of tailings to leaching with dilute sulphuric acid. The leached copper ore is fed to the other 26 80 sq metres DELKOR tonnes/month and entrained copper sulphate solution is recovered from the slurry both directly and as a result of a displacement wash of water.

★

Export orders for the Middle East totalling £6.5m, which will create 30 additional jobs at the end of this month, have been won by FABRIKAT who make power distribution equipment at Mansfield and Sutton in Ashfield, Notts. The contracts cover the supply of transmission poles, insulators and switchgear.

★

AECI has awarded a £5.5m contract to BABCOCK ENGINEERING CONTRACTORS for the construction of a fluidised bed boiler. The boiler will be designed to burn carbon rich fly-ash from AECI's coal based ammonia plant at Moddefontein and will supply about 60 tonnes of steam per hour for downstream nitrogen plants at the factory complex. The boiler will be among the largest fluidised bed boilers of its type in the world and is claimed to be the first to burn a waste byproduct of this kind. It will also be able to switch from flyash to coal should be flyash supply from the ammonia plant be interrupted.

★

BKS SURVEYS, part of the industrial division of Amalgamated Metal Crpn, has signed three aerial survey contracts in the Middle East totalling £5m. The contracts include the creation of computerised topographic databases for the State of Bahrain, and the Al Ain municipality (United Arb Emirates), over a two-year period and will entail specialist aerial photography using the company's modified aerial survey aircraft, currently based in the Gulf area.

★

BERNARD SUNLEY & SONS has commenced work recently on four major contracts in London and the Home Counties including a complex refurbishment worth £2.5m which has been secured at 7-15 Creechurch Lane, London EC3, for the Bank of Credit and Commerce International. Work involves the remodelling of an eight-storey city building, both internally and externally, and provides for a new mansard roof to the house plant rooms. The project is to be completed in only 49 weeks.

In Islington a new £1m swimming pool, designed by associate company, Techno Sunley Leisure, is situated at the foot of Highbury Fields. It replaces a traditional open air swimming pool built shortly after the First World War. Completion is due in February 1984.

The University College at Buckingham is to receive a new self-contained two-storey residential block for 42 students and is so designed and constructed that the building can be simply divided into five individual units.

Work has also started on a £1.2m apprentice jockey training school at Newmarket, which will provide facilities for instructors and apprentices including accommodation, an indoor riding school and an all weather gallop. Work is scheduled to finish in September 1983.

★

The housing modernisations department of MILLARD CONTRACTORS, TIPTON, has obtained three contracts valued at over £1.75m. The largest, for Birmingham City Council, requires comprehensive repairs and redecoration to over 400 inter-war houses in the Witton/Erdington area of the city worth over £1.1m. Lichfield District Council has awarded two contracts. Fifty council houses at St. Michaels Road will receive new kitchens, bathrooms, central heating, windows, plus redecoration and rewiring throughout under a £311,000 contract. Under a £343,000 contract, 40 Duplex Flats at Partridge Croft, Lichfield, will also be modernised, together with kitchen extensions.

★

Work begins in the next few weeks on a £3.2m Leisure Centre in Redhill, only months after the idea was first considered by Reigate and Banstead councillors. The contract has been awarded to steel frame-building manufacturers CONDER SOUTHERN, Winchester. The company's plan for a building form which reflected the main uses—swimming pool, general sports hall, squash courts and projectile hall with a central core of related ancillary uses on two and three levels, was chosen in preference to two other designs. The leisure centre will be completed in September 1984.

★

A refurbishment project is being carried out by RUSH & TOMPKINS at St Augustines Parade, Bristol. A scheme has been designed which will eventually provide 88,000 sq ft of shop and offices. The first phase of the development by Rush & Tompkins Property Holdings has been agreed at £1.4m and will provide 25,000 sq ft of shops and offices. It consists of alterations and refurbishment to six properties, all Listed buildings, and rebuilding three others which have had to be demolished because of their poor condition.

£6m boats for Kuwait Navy

CHEVERTON WORKBOATS, Cowes, has won orders approaching £6m to design and build 12 support vessels for the Kuwait Navy. Cheverton will supply four 30 metre Loadmaster landing craft, two 21 metre twin screw firefighting harbour tugs, and six 8.2 metre general service launches, four with single-screw and two with twin-screw propulsion. The craft will be based at the new naval base on the Arabian Gulf, built specifically for the embryo Kuwait Navy. They will operate in support of naval operations and of a fleet of patrol vessels now being built in Germany.

★

SERCK CONTROLS, a BTR Company, has won a contract, worth over £1.3m, for a SCADA (Supervisory Control And Data Acquisition) system to supervise Shell Expro pipelines running from the St Fergus gas processing plant. The pipeline engineering contractors are Bechtel Great Britain. The main pipeline will transport natural gas liquids 220 km to a fractionation plant at Mossmorran. Two shorter lines will carry gas to Peterhead power station and condensate to Cruden Bay. The SCADA system will provide overall control, integrity surveillance and product metering of the three pipelines from central control computers at St Fergus.

★

An order for two 20-tonne portal cranes worth about £200,000 for the National Coal Board's Selby coalfield has been won by the WILD BARNSLEY ENGINEERING GROUP, Birmingham. The two cranes, each of 100 ft span with two 40 ft cantilevers and lifts of 20 ft will be used for handling mining equipment on the Whitemoor and North Selby sites.

Davy McKee to build £10m sugar plant

DAVY McKEE (LONDON) has been awarded a £10m contract by Tate and Lyle Refineries for the design, supply and construction of a sugar treatment and de-colourising facility at Thames Refinery, Silvertown, London. The facility designed to process up to 1m tonnes per annum is thought to be the largest of its kind in the world to incorporate ion exchange resins to purify and de-colourise the raw sugar. The resin de-colourising section for this process renewal project will be designed and supplied by Davy Bamag. Completion is planned for the end of 1984.

FINANCIAL TIMES SURVEY
Friday April 22, 1983

Scottish Financial Services

Edinburgh as a financial centre ranks strongly but its fund managers fear the effect of City raids on their institutions

BY BARRY RILEY, Financial Editor

THE FINANCIAL TIMES Conference on venture capital in Europe, which opened in Edinburgh yesterday, drew a large number of delegates. The location of the conference in Scotland's capital city reflects the high status that Edinburgh continues to hold as a financial centre.

Financial acumen is one of the traditional attributes of the Scots and with the decline of other traditional industries, the prosperity of the financial sector—which directly provides some 80,000 jobs—is of major importance to the country.

Nationalism

These are times, however, of some anxiety for Scotland's financial community. Over the years the Scots have seen the City of London gobble up the business which was once enjoyed by regional English financial centres in places like Manchester and Liverpool. They are determined that Edinburgh will not go the same way.

At the moment, however, Scotland is seeing a strong attack upon several of its venerable investment trusts by financial institutions from south of the border. There are very real fears that the trusts could be picked off one by one, and control of a large proportion of the assets of £3bn or more which they manage then shifted to London.

It was only little more than a year ago that a Monopolies Commission decision prevented the takeover of the Royal Bank of Scotland Group, either by Hongkong and Shanghai Banking Corporation or by the London-based Standard Chartered.

That affair sparked off a wave of economic nationalism in Scotland, based not merely on emotion but also on the awareness that the removal of key decision-making functions from Edinburgh would have a serious psychological impact.

The stage would be set for the completion of the transformation of Scotland into a branch economy, vulnerable to the different priorities of decision-makers elsewhere.

The recent controversial affair of Anderson Strathclyde, taken over by Charter Consolidated after a Minister had overruled a Monopolies Commission veto, was a keenly felt reminder in the engineering industry of the kind of threat that is aimed at the financial sector.

The Royal Bank, however, has picked itself up from the floor after the failure of its merger strategy, and is now concentrating its efforts upon building up its Scottish role. It is seeking much higher visibility for its industrial finance activities, for instance, which it is assembling together under the umbrella of a subsidiary, National Commercial and Glyns.

The Bank of Scotland also insists that it has an important independent role, even though technically it is an associate of Barclays, which has a stake of 35 per cent. Its decision several years ago to relaunch its merchant banking operations under the auspices of its British Linen subsidiary has paid off.

Outside the banking sector the insurance companies form a key element of Scotland's financial services industry. Scotland has one major general insurance company in the shape of General Accident, based in Perth. To the general public, however, it is the big Scottish life assurance offices in Edinburgh and Glasgow which more than anything else represent the financial muscle of Scotland.

The sums involved are extremely large. The biggest of all the Scottish life offices, Standard Life, has reported total group assets of £5.6bn as at its balance sheet date last November, not counting £400m of investments managed separatel ...ainly for pension fun clien...

Scottish Widows and Scottish Amicable also control assets running into billions. Such life offices epitomise the high quality of the Scottish financial sector, and they ensure that Edinburgh and Glasgow will retain a long-term financial role of a kind.

They are relatively few in number, however, and being conservatively managed institutions they will not by themselves be able to supply the variety and degree of innovation which are required to keep the Scottish financial services industry in the front rank in Europe. For that, much will depend on the independent fund management houses.

George Street, Edinburgh, home of many of Scotland's financial institutions

Innovation can certainly be found in the fund management business. There is something of a wave of start-ups by ambitious young investment managers, splitting away in twos and threes from the established houses in order to pursue an independent course.

They are concentrating on small, specialised investment trusts and private investor products of one sort or another, though all would eventually like to get into the real growth market—the pension fund management business.

In the short term, such small-scale start-ups could not compensate for the loss of some of the large, established investment trusts which form the backbone of the Charlotte Square fund management industry.

Designed originally for private investors, these trusts have seen pension funds and insurance companies becoming more and more dominant on their shareholders lists. The trusts' share prices have slipped to well below the value of their underlying assets—with discounts often of 30 per cent or more.

So the trusts are less and less able to pursue their own chosen long-term investment strategies, with their traditional proud independence. Instead they have to fit in with the objectives of their large, powerful shareholders, and they live in perpetual fear that operators with an eye to a quick, short-term profit will force trusts to convert themselves into encashable units, or that bidders will see them as a source of liquidity.

Many Scottish trusts feel more vulnerable than their English counterparts. Rightly or wrongly, there is a feeling that the powerful English merchant banks will pick off the independent Scottish trusts, rather than upset their City of London neighbours by bidding for English trusts (which are often grouped within merchant bank stables).

Edinburgh investment trust managers talk apprehensively of a domino effect as their trusts are mopped up, and the money transferred elsewhere. The effect on Edinburgh as a financial centre could be serious.

At the moment the Scottish capital is still very much on the European financial map, and is regularly visited by American and Japanese brokers and new issue promoters. But already Glasgow is fading as a separate centre (which the proposed transfer of Scottish United Investors to Edinburgh will not help) and there is a fear that without a strong investment trust presence, few international visitors would bother to go to Edinburgh as well as London.

In that case, the remaining Scottish fund managers would feel the need to make ever more frequent trips to London.

It is suggested in Charlotte Square that this would have an important impact on the quality of decision-making in Edinburgh and elsewhere in Scotland, and would reduce the pool of financial expertise available to cross-fertilise other areas of the financial services industry. There would be fewer non-executive directors, for example, ready to sit on the boards of small industrial and commercial companies.

In one sense, however, the pendulum is swinging in Edinburgh's favour. Rapid advances in communications technology are reducing the costs and disadvantages of a smaller financial centre.

Today, Stock Exchange "Topic" screens and Reuter Monitors are to be found in many Scottish financial offices, giving as ready an access to the latest information as can be enjoyed by anybody in the heart of the City of London. Worldwide telephone and telex links have become much cheaper and more efficient.

Of course Edinburgh has important natural advantages, notably in its lower office costs and attractive working conditions. It can be argued, too, that a slightly detached location is an asset when it comes to making judgments on an international basis — which has always been Scotland's strong point.

The very origin of the investment trusts a century ago arose, after all, out of the scope for channelling surplus Scottish capital to exploit more profitable opportunities overseas — mainly in North America. That American orientation remains to this day, and has helped the Scottish trusts to benefit from the strength of Wall Street over the past year or so.

Orientation

This international orientation, however, combines rather uneasily with the more narrowly nationalistic attitudes now evident amongst some of Scotland's bankers and investment managers.

The financial services industry provides valuable employment in Scotland, but its interection with the rest of the Scottish economy may be limited. It is very much of an export industry, and has comparatively little interest in investing close to home.

Indeed, it would hardly benefit organisations like the big Scottish life offices if they became known for investing disproportionately in Scotland. This would not encourage their predominantly English clients. Much the same applies to the investment trusts.

A good deal of the investment in the newer sectors of Scottish industry is in fact coming from UK national rather than Scottish sources, ICFC being the obvious case in point. ICFC has an active Scottish operation, and has invested about £40m in nearly 600 businesses north of the border.

The public sector body, the Scottish Development Agency, has a portfolio about half as large as this, but its overall influence is considerable, because it has a policy of attracting substantial private sector capital, over and above its own investment, into the projects which it sponsors.

By and large, however, Scotland's financial community has remained relatively aloof. The country has a useful number of new, high technology companies, and there has certainly been heavy investment in offshore oil and gas development and associated onshore energy-related activities. Although the Scottish financial services industry has had to come to terms with economic nationalism, however, it has certainly not abandoned its international perspective.

CONTENTS

How the home-based banks have been coping with the pressure to widen their basic services

Clydesdale copes with recession

SCOTLAND IS very conscious of maintaining its home-based companies. The fears of a loss of decision-makers was shown in the recent public debate over the takeover of Anderson Strathclyde, the Scottish mining equipment company, by Charter Consolidated.

The Clydesdale Bank seems to be one of the notable exceptions. Some 30 years as a subsidiary of the Midland Bank has given the bank time to become part of the Scottish community in its own right.

From its Glasgow base, the Clydesdale has this past year had to see much of its business in the west of Scotland pass through the eye of the recession—a factor which has partly led to a "substantial increase" in bad debt provisions and a decline in profits of over 26 per cent for the year to December.

While using its tie with the Midland for much of its international banking activity, the Clydesdale has maintained an independent profile in a wide range of activity with its own London foreign exchange dealing and increased activity by the international division.

The Small Exports Scheme for small firms wishing to start or expand their exports has also proved a success by cutting through red tape.

Like the other two Scottish clearing bank rivals, Royal Bank of Scotland and the Bank of Scotland, however, the pressures seem to come up with innovations in electronic banking.

A point of sale experiment has for example been carried out successfully with British Petroleum. Two petrol stations in Aberdeen installed facilities to allow customers to pay for their petrol with their Autobank card which is normally used for cash dispensers. The terminals at the petrol stations automatically debit the accounts of the customer.

These machines have also been adapted to take Access cards. Clydesdale Bank is expected shortly to announce an expansion of the service in co-operation with BP.

The bank also expanded its cash dispenser use to accept withdrawals on customers' deposit accounts. The only restriction on the system called Autocash is that customers may not overdraw their account.

The Clydesdale also has the Prestel system of British Telecom.

Mark Meredith

Bruce Pattullo, chief executive of the Bank of Scotland: not the year to buy an American bank

Bank of Scotland scans horizons

THE UNCERTAINTY in the international money markets and pressure on U.S. banks have confirmed the belief of Mr Bruce Pattullo, Bank of Scotland chief executive, that this was not the year to go out and buy an American bank.

Like his two Scottish clearing bank competitors, the Royal Bank of Scotland and the Clydesdale Bank, the Bank of Scotland has been under some pressure to widen its base. Retail banking in Scotland is somewhere near saturation point and the Bank of Scotland had already shown it wanted to take a more active role in international finance.

Yet the limited size of the Scottish banks' exposure in the international money markets has saved them from some of the heavy losses suffered by the larger English clearing banks. Not having a large overseas network of branches facing bad debt from the local private sector has, for once, been an advantage.

An experiment

The Bank of Scotland from its imposing headquarters on the Mound overlooking Edinburgh turned instead to the home market and produced a first in UK banking with an experiment in home banking in co-operation with the Nottingham Building Society and British Telecom.

Under the plan, customers, through British Telecom's Prestel system which links a home television through the telephone to a central computer, can call up their chequing account on a screen. By tapping out codes on the keyboard used with Prestel to bring up the various pages of data on the screen, customers will be able to transfer funds between accounts, order goods from stores, book holidays and pay some types of bills such as rates. The experiment is due to come on stream this year.

The system will not only be a first in banking, it is also a good testbed for electronic banking through the vast Prestel system.

Operating what amounts to a controlled experiment outside the Bank of Scotland's home base will be a useful guide for when the bank opens further offices south of the border (it has branches in London, Birmingham and Bristol so far).

Confining the experiment to a local area has added safeguards if the market response is not what the bank, the building society and British Telecom hope.

Electronic banking is still one of the key areas of competition among the three banks in Scotland. The Royal Bank of Scotland and the Bank of Scotland have joined the three other UK banks planning reciprocity between some of their automatic cash dispensers.

But the electronic competition has prevented much co-operation in banking in some of the far-flung rural areas of Scotland where three cash dispensers at £10,000 each would be unnecessary but one would help reduce the capital costs of all three banks. Talks between the banks on the subject in the past came to nothing.

While banking in some of the remote areas may be costly to the banks, others prove profitable because the small amount of day-to-day banking activity is offset by the large amounts of money usually involved in deposits or loans by the farming community.

M. M.

PROFILE: ROYAL BANK GROUP

Rethink on strategy

THE ARRIVAL in Edinburgh at the beginning of the year of Robert Smith, headhunted from Industrial and Commercial Finance Corporation (ICFC) in London, to become general manager in charge of corporate finance at the Royal Bank of Scotland, was a clear sign of the strength of the wind of change blowing through the Royal Bank Group.

When the bank narrowly escaped the clutches of the Hong Kong and Shanghai Banking Corporation in early 1982, thanks to the veto by the Monopolies Commission, the Royal was forced to rethink its strategy. Its plan to merge with Standard Chartered had also had to be torn up. The Royal Bank was forced to take note of the weight of Scottish opinion which argued that it should be playing a key role in a struggle to prevent Scotland from becoming simply a branch economy.

Corporate finance was an area where the Royal Bank seemed to be lacking. It had no operation comparable to Bank of Scotland's British Linen merchant banking subsidiary, nor to the independent Noble Grossart. Hence the decision to bring in Robert Smith, a 38-year-old Glaswegian accountant, at general manager level.

"I have been staggered at the willingness to think about the future," he says, "to encompass change and to recognise that there are things we ought to be doing. I've been amazed at how readily I have been accepted."

He has been appointed managing director of National Commercial and Glyns, a Royal Bank subsidiary, which handles specialised business like export finance and big ticket hire purchase.

At the moment it is a licensed deposit taker rather than a fully-fledged bank, but the group will clearly be aiming to persuade the Bank of England fairly soon that National Commercial and Glyns deserves to be classified as a merchant bank.

Robert Smith sees the build-up of the merchant banking operation as part of the process of raising the profile of the Royal Bank. "I think they brought me in to get higher visibility and to group all the various corporate finance activities under one heading," he says.

For the moment he is contrating on assembling his team of people. He accepts that "certain skills are missing at the moment," especially on the advice side for quoted companies, but suggests that the Royal Bank already has considerable expertise in areas like export finance.

He is now looking to expansion. "I'm keen to open up in England, and London is almost certainly the first stop. I don't think you can afford not to have a shop window in London."

He accepts that it will take time to climb up the league of corporate advisers. "I am not satisfied that we are an absolutely complete merchant bank yet," he says. "But we will be."

Already National Commercial and Glyns is capable of giving a complete service "in a very small way." But Mr Smith will not be satisfied for another two or three years that the operation is really providing a comprehensive service in all areas.

"It's a little bit unbalanced at the moment," he says. "We are too light in sponsoring issues and giving advice. It takes time to build up credibility. We don't compete with Warburgs yet—but we will do, I hope, one day."

After his three years at ICFC, Robert Smith himself has a special expertise on the corporate advice side, especially in relation to small companies. He aims to bring such skills to bear on the problems of Scottish companies—but hopes to steer clear of Scottish nationalistic tensions.

"I don't expect unreasonable pressure to come on me to back projects which I don't consider are viable. I do not want to become a poodle of the main bank. But one of the attractions of the job is that there is a huge corporate portfolio full of problems and full of opportunities that we can do something about."

He adds: "I also expect to have to develop a fair bit of business of my own. And a lot of that, I am obliged to say, will be south of the border."

Robert Smith, brought in to head corporate finance: a clear sign of the wind of change

Barry Riley
Financial Editor

English and foreign banks are facing keener competition, says Mark Meredith

Tougher life in the world of corporate finance

LIFE IS not so easy for the community of foreign and English banks with offices in Scotland. The days are largely over when they were able to take advantage of corporate banking shortcomings within the Scottish banks.

These outside banks still trade heavily on their vast overseas reserves of funds, experience, information systems and expertise but the growth of corporate and international banking activities by the three Scottish clearing banks and their merchant banking facilities has increased competition within the business market.

Membership in International Bankers in Scotland, the club of outsider banks, now numbers 35, although this includes the international trading wings of the Scottish banks.

Foreign and English banks must decide on the size of their presence in Edinburgh, Britain's second financial centre which claims to be in the top league of business cities in Europe. Some have just a shop window in Scotland, a representative to filter inquiries and contacts back to headquarters or larger branches in London. Others offer a full range of banking services and carry a large staff.

One point the international banking community has in common is an interest in larger corporate business. "We don't really expect to have much to do with companies with profits of less than £250,000," one merchant banker comments.

Scotland's larger companies use the international range of services of these banks to supplement the use of the Scottish banks for domestic financing.

One important function of these banks is acting as banker to the nearly 30 investment trust houses in Edinburgh and Glasgow. Many of the funds under management in Edinburgh's Charlotte Square Trust House are invested in stocks in the United States. Most of the trust funds will have a British and a foreign bank. They use the latter to transfer funds for the purchase of stock abroad.

Sophisticated financial information services also form a growing part of the banking activity. Citibank's Astra news retrieval system is a vital part of the bank's client services producing constantly updated information on accounts and investments in the United States.

Another function of the foreign banks is taking deposits from Scotland's life insurance companies. The life companies usually spread their deposits around several banks, both domestic and foreign. Bank of America and Citibank have dealing rooms in Edinburgh to place many of these funds in different currencies.

Scotland's electronics industry is dominated by big multinational companies, many of which will use the Scottish branch of an American bank to handle financial operations in Scotland.

The prospects for devolution and an oil boom economy in Scotland brought many of the outside banks to Edinburgh and Glasgow in the late sixties. Most have stayed on despite the waning of regionalism as an issue and the peaking of North Sea oil exploration.

The outside merchant banks including Hill Samuel, Morgan Grenfell, Kleinwort Benson and Singer and Friedlander act as feeders to the City for larger clients looking for a range of sophisticated financial expertise.

By their nature, the foreign banks have little direct interest in one of the main thrusts of industrial development in Scotland, the creation of an indigenous electronics industry.

This area of venture capital involving high risk is still largely left to the public sector with development grants and other assistance.

However, Scotland's banking community is a small one and the foreign banks and merchant banks often pass on inquiries and intelligence on new companies to organisations such as ICFC which are more geared towards high risk investment.

Where entrepreneurs are welcome

AS ELSEWHERE in the UK, businesses in Scotland these days are not short of places to look for venture or "risk" capital. The Scottish Development Agency is probably the major force in the market and has established an increasingly high profile since it began life in 1975. But the banks and merchant banks are also involved, the Industrial and Commercial Finance Corporation (ICFC) has a strong presence, several investment trusts can show that they are far from losing their entrepreneurial flair, and a handful of funds have been set up to take advantage of the Business Start Up Scheme (or Business Expansion Scheme which has now superceded it).

Broadly speaking the Scottish Development Agency handles all inquiries South and East of a line between Inverness and the River Clyde—North and West of this "frontier" the public sector agency is the Highlands and Islands Development Board. The SDA itself is divided into its main Glasgow office—which deals with requests for £50,000 or more—and its Small Business Division which looks after companies seeking below £50,000. Investments range from as little as £1,000 to around £1m, though a typical case would involve say £100,000 to £200,000. Last year the Glasgow office made 38 investments totalling £7m.

Not surprisingly the SDA's criteria are not wholly commercial, though it stressed that companies looking for money "must be viable and offer a return both to other investors and the agency itself." Job creation and job potential are important factors.

One consequence of the greater private sector interest in venture capital has been an increase in joint or syndicated deals between the SDA and other institutions.

While the SDA has £25m outstanding in Scottish companies, the ICFC has £50m outstanding North of the Border in 500 companies— though equity stakes are held in only 300 of these.

Last year ICFC helped finance 70 start ups, 23 "buy-outs" and 100 "development situations" in Scotland.

Another of the more established venture capital operations in Scotland is Noble Grossart Investments. The company tends to invest £100,000 or in established companies though it does consider "new risks." There are nearly 20 companies in the portfolio and "the aim is to build up long term relationships with businesses. We also tend to back good people, not necessarily the most fashionable sectors." He cites a 2.5 per cent stake in a steel stockholder to back up the point.

Among investment trusts which get involved in venture capital are First Charlotte and Independent in the Ivory and Sime stable, Scottish American (run by Stewart Fund Managers) and Murray Technology.

Of increasing interest, meanwhile, are the funds set up under the Business Start Up Scheme. So far there have been five in Scotland—two from Hodgson Martin called the Northern Venture Capital Syndicates I and II, which jointly amount to more than £½m, one from the British Linen Bank (the £355,000 Creative Capital Fund) and two Kyle funds.

Tim Dickson

LEADER IN VENTURE CAPITAL FIELD

IAN RUSHBROOK is one of the leading figures in venture capital activity in Scotland. At 43 he has been a senior member of Ivory and Sime fund managers in Edinburgh for 16 years. He manages two of their most successful funds, Atlantic Assets, which has shown a compound growth rate of 18 per cent a year since it was formed in 1955 and the Independent Investment Company, formed with £100,000 in 1980 and now worth over £300,000.

He feels the private investor is the moving force behind venture capital rather than the institutions and says investment bodies with institutional funds in the UK are not able to manage venture capital. He points to a misconception of venture capital as money when it is time and says the UK is wrong to mimic the current trend in the U.S.

He criticises the format for business start-ups as vehicles for venture capital and argues that the leading bodies in the field in Scotland, ICFC and the Scottish Development Agency, can play an important role in bringing in the individual venture capital investor.

He is a strong believer in venture capital as an extension of the early spirit of investment trusts in Scotland.

Mark Meredith

Charlotte Square where many fund managements' houses are based

How the fund managers react to raiders. Barry Riley reports

Fighting off the Sassenachs

"THE CONCERN up here is such that there will be a very strong resistance, in whatever ways are appropriate, to a continuation of this process," said one Charlotte Square investment trust manager last month. The process he was referring to was, of course, the raiding of Scottish investment trusts by various English pension funds and insurance companies, which seek to make a quick profit by forcing the investment trusts to turn themselves into unit trusts.

English-based investment trusts are also affected by these pressures, but in Edinburgh and other parts of Scotland there is a keen sense of vulnerability as the Sassenach raiders concentrate their firepower on the generally less well protected trusts north of the Border.

The same investment trust manager went on: "The investment trusts are more likely to fight back as a result of what has been happening in the last few weeks. The response is likely to be more aggressive."

It is not entirely clear what he had in mind but shortly before Easter a number of Scottish investment trust managers met and agreed to send a delegation—under the auspices of the Association of Investment Trust Companies—to protest to the Bank of England.

Delegation

The delegation was led by the London-based AITC chairman Lord Mark Fitzalan Howard, but included representatives from Martin Currie, an Edinburgh investment trust management house which has recently come under unitisation pressure.

Many of the older established trusts based in Edinburgh or other centres, such as Glasgow, Perth or Aberdeen, feel threatened but not all the investment trust managers feel the same way. Some suggest that the vulnerable houses have brought the problem on their own heads by being slow to adapt to changing conditions.

In the past 20 years the big growth in the fund management business has been in pension funds, but nearly all of this has gone to London institutions, notably the merchant banks. For years these institutional shareholders have been steadily displacing the private shareholders of investment trusts, so that they, in many cases, account for over 60 per cent of the shares.

Now they are making the investment trusts do their bidding, at best by requiring the trusts to become more specialised, at worst by demanding unitisation or liquidation moves.

The odd one out among the Charlotte Square fund management houses is, however, Ivory and Sime, a traditionally entrepreneurial operation which has successfully gone out and won substantial pension fund management business not only from British clients but also from American companies.

Ivory and Sime currently manages total funds of some £1.7bn, around half of it for UK pension funds. International investment expertise is these managers' selling point—and more than half the funds are invested overseas. Something over $150m is managed for U.S. pension funds, a growing business now that the U.S. funds are more keenly looking for international investment exposure.

Other houses have moved in a similar direction, but not with quite the same success. Martin Currie, for instance, manages $50m of U.S. pension fund assets, but of its total managed funds of £450m, most is still in investment trusts.

At Baillie Gifford, substantial sums are now managed for pension funds and charities, but they only amount to some 25 per cent of funds under management. These are dominated by the £300m-plus Scottish Mortgage, the fourth largest investment trust in the UK, and the biggest in Scotland.

The title of Scottish heavyweight champion, however, could soon be snatched by Edinburgh Investment Trust after its proposed takeover of the Glasgow-based Scottish United Investors, which will create a £350m giant.

According to Mr Grant Cochrane of EIT "There was a shortage of management at SUI. They had to decide whether to build up a stronger team or seek a merger."

The trust owns a fund management company, Edinburgh Investment Management, which has £90m under management. The aim is to build a fully rounded investment operation, but Mr Cochrane admits the pension fund business is "a hard market to break into."

The prospect of unitisation is one which Scottish investment trust managers regard with gloom. Shrinkage is inevitable after such moves: several big institutional holders are likely to cash in their units without much delay, and private money could dribble away over a rather longer period.

The directors of Scottish Ontario, a trust managed by Martin Currie, only succumbed to unitisation pressure "with regret and reluctance."

Mr David Skinner of Martin Currie argues: "The flow of money into unit trusts is much less stable, and less suitable for the sort of purposes which investment trusts seek to pursue."

A proposal

Martin Currie is proposing to get together with another investment trust house, Chiene and Tait, to create a group of five to seven separate general and specialised unit trusts out of the managed assets of Scottish Ontario and Pentland and Dominion and General, two other investment trusts.

Chiene and Tait, also a firm of accountants, will now pull out of the fund management business. The firm's senior fund manager, Mr Colin Crole, warns of the long-term consequences for Edinburgh of the decline of investment trusts. "If you lost the investment trusts, then the banks and the insurance companies would lose the atmosphere in which they are working.

It would, however, be misleading to portray Charlotte Square as a place of gloom and contraction. While some of the larger and older management houses are under pressure, a number of younger fund managers are splitting off and setting up new breakaway operations. In fact the fund management industry is currently spawning a whole wave of start-ups.

Some are inevitably quite small. For instance, Mr Willie Forsyth (ex-Edinburgh Investment Trust) and Mr Ian Smith (ex-Ivory and Sime) set up as Stanecastle last year with little more to support them than the management contract for a £100,000 friendly society. But this January they also won the management of Yorkshire and Lancashire Investment Trust, and raised new money to increase the assets to over £5m.

Mr Forsyth claims to thrive on independence, despite the long hours. "The great thing is to be able to develop one's own ideas." They are planning a marketing push for the friendly society, and are involved in the design of savings products.

As for the future of investment trusts, "we've got to go back to the entrepreneurial days of investment trust market," he says.

Mr Allen Hodgson, ex-EIT, Ivory and Sime and Scottish Widows, and Mr Richard Martin, ex-Ivory and Sime, are now in the third year of operation of Hodgson Martin. Most of their £8m funds under management are in the £6.5m New Darien Oil Trust. Otherwise they have moved into several areas of specialist fund management, notably with two venture capital funds.

The aim is to get into the corporate pension fund management business, but they have yet to make a breakthrough. "It can be terribly galling," says Mr Hodgson. "We've now been on nine or ten short lists. It's just a question of perseverance."

A considerably more immediately successful breakaway operation has been that run by Dr Walter Scott, a nuclear physicist turned fund manager who is described by his former colleagues at Ivory and Sime as "brilliant at marketing." Walter Scott and Partners started trading only in January, and has swiftly picked up five pension fund contracts for funds totalling nearly £200m.

Dr Scott openly acknowledges his debt to Ivory and Sime, whose style of management he is closely following — not surprisingly, because he was Ivory and Sime's pension fund department head for six years. "We are an existing business that has moved to new premises," he says.

Have all these defections weakened Ivory and Sime? Its deputy chairman, Alex Hammond-Chambers, denies it, pointing to the strength and experience in depth which the company still possesses. He lists 13 key professionals, all between the ages of 32 and 41. Of these, nine have more than 10 years of service to their names.

PROFILE: LATTICE LOGIC

Silicon chip venture

THE STORY of Lattice Logic has all the appearances of a textbook exercise in venture capital at work in Britain.

It incorporates a good idea and follow up with "hands on" management by the investors who guide the company through early development.

Lattice Logic, based in Edinburgh, is one of the prominent venture capital projects of ICFC and more than £200,000 is at stake in equity and loans to the company.

Lattice has marketed what appears to be a world first in silicon compiling—a software programme vastly shortcutting the costs and procedure in microchip design.

The system allows developers of new computerised hardware ready and affordable access to customised chips instead of having to build new products around existing mass-produced microchips. A custom produced chip can cost around £100,000 but Lattice Logic's procedure reduced the unit costs to a fraction of this by using computers to get through the complex design and simulation process.

Behind the company is Dr John Gray a Briton, who from 1977 to 1980 ran the Silicon Structures Project at Caltech in California—an important seedbed for ideas and manpower for the U.S. electronics industry.

Exposure to the management ethic came through the active participation of IBM, Xerox, Hewlett Packard, Digital and other electronics giants in the Caltech project.

This helped Dr Gray and other co-founders, Dr Irene Buchanan and Dr Peter Robertson of the Computer Science department of Edinburgh University, prepare the kind of business plan to assure the eventual investors of a readiness to unite management skills with electronic ideas.

Dr Gray produced his own business plan by computer for the initial round of soundings. Two Edinburgh investment houses either said no because of the risks involved with such "first phase" projects or did not reply. One possible source of government backing, the Scottish Development Agency, suggested changes to the programme that Lattice Logic did not want to make.

Financial package

ICFC used its Solihull-based technical advisory staff to evaluate the business plan but found gaps in the accounting and general commercial aptitude of the new company as financing got underway about one year ago.

To recast some aspects of the plan, ICFC proposed as part of its financing package that Gordon McAndrew, an independent management consultant, join as director.

The commercial options and sources of government grants were followed up by this form of indirect "hands on" management.

"We were able to get pricing right—they had tended to see things selling at a discount. It was a question of real financing," Mr McAndrew says. A plan for phased payments by customers was also introduced.

The financial venture capital package was tailored down from Dr Gray's estimate of £500,000 for the first five years to about £300,000 for the first two years. ICFC worked out an equity package to give Lattice Logic the ability to buy back its shares as profits started to come in.

The system of cumulative, convertible, redeemable, preference shares left Dr Gray and his associates with 40 per cent of the £80,000 equity and ICFC sharing the rest.

ICFC brought in East of Scotland Onshore Investment Trust to take on 40 per cent of the £48,000 in the package. The founders contributed £32,000.

The remaining £220,000 was covered by a £86,000 leasing facility for equipment and medium-term loans for running costs.

Lattice Logic has sold its first silicone compiler software programme to a Swiss company and turnover for the first year is expected to be around £150,000.

Another key element of the business will be to act as brokers for hardware companies seeking to have chips designed and then commissioned from semi-conductor factories.

Mark Meredith

Dr John Gray (far right) with co-founders of Lattice Logic (left to right) David Elgin, Peter Robertson and Irene Buchanan.

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Transvaal

Reports of the Directors for the quarter ended March 31 1983

WESTERN DEEP LEVELS

Western Deep Levels Limited

ISSUED CAPITAL: 25 550 000 shares of R2 each

	Quarter ended March 1983	Quarter ended Dec. 1982	Year ended Dec. 1982
OPERATING RESULTS			
Gold			
Area mined—m² 000	184	205	774
Tons milled—000	834	853	3 499
Yield—g/t	11.35	11.53	11.28
Production—kg	9 467	9 832	39 476
Cost—R/m² mined	322.93	275.64	282.56
—R/ton milled	71.05	66.15	62.48
—R/kg produced	6 259	5 739	5 538
URANIUM OXIDE			
Tons treated—000	468	548	2 272
Yield—kg/t	0.09	0.09	0.08
Production—kg	42 531	51 497	183 394
PRICE RECEIVED ON SALES			
Gold—R/kg	16 184	15 300	13 174
—$/oz	466	419	374
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	151 644	153 453	522 828
—costs	59 255	56 454	218 622
—profit	92 389	96 999	304 206
Uranium oxide profit	695	495	2 214
Net sundry income (expenditure)	5 784	(39)	7 116
Profit before taxation and State's share of profit	98 868	97 455	313 536
Provision for taxation and State's share of profit	51 486	39 287	108 329
Profit after taxation and State's share of profit	47 382	58 168	205 207
Deduct:			
Appropriation for capital expenditure			104 346
Final portion of dividend on "C" ordinary shares			123
Dividend—interim			34 493
—final			66 430
Reduction in retained profit			185
Capital expenditure	19 790	31 680	122 955
SHAFT SINKING			
No. 1 main shaft			
Advance—metres	160	268	1 003
Depth to date—metres	1 208	1 048	1 048
No. 1 service shaft			
Advance—metres	34	—	737
Depth to date—metres	1 004	970	970

NO. 1 SHAFT SYSTEM

Continued intersections of water in cover drilling and the time involved in sealing the fissures has slowed down the sinking operations in both the main and service shafts. The full extent of these further delays upon the commissioning date is presently being evaluated.

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Carbon Leader							
Quarter ended March 1983	8 452	34	14.6	112.53	1 643	0.96	14.07
Quarter ended December 1982	7 508	60	12.3	136.02	1 673	1.08	13.28
Year ended December 1982	31 364	266	27.7	69.38	1 922	0.57	15.80
V.C.R.							
Quarter ended March 1983	2 822	76	51.9	24.47	1 270	—	—
Quarter ended December 1982	2 274	62	43.0	4.14	178	—	—
Year ended December 1982	10 656	300	62.3	8.04	501	—	—

DIVIDEND

The final dividend of 260 cents a share in respect of the year ended December 31 1982 was declared on January 20 1983, payable to members registered on February 18 1983 and was paid on March 18 1983.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at March 31 1983 totalled R50 300 000.

BORROWINGS

Information given in terms of the recent requirement of The Johannesburg Stock Exchange.

At March 31 1983 the company's borrowings totalled R121 930 000 (December 31 1982: R121 945 000), none of which is scheduled to be repaid by March 31 1984. The interest charge for the quarter ended March 31 1983 was R3 626 000 (December 31 1982: R3 341 000). The borrowings comprise 120 000 000 12 per cent unsecured debentures of R1 each, payable 1986 to 1993, to finance No. 1 shaft system, a consumer loan, and a bank loan for purchase of residential sites.

For and on behalf of the board

G. LANGTON, G. S. YOUNG — Directors

April 22 1983

ERGO

East Rand Gold and Uranium Company Limited

ISSUED CAPITAL: 41 000 000 shares of 50 cents each

	Quarter ended March 1983	Quarter ended Dec. 1982	Year ended March 1983
OPERATING RESULTS			
Slimes treated—tons	4 608 000	4 833 000	18 953 000
Sand treated—tons	132 000	—	132 000
[illegible]			

For and on behalf of the board

G. LANGTON, F. BENTLEY — Directors

April 22 1983

ELANDSRAND

Elandsrand Gold Mining Company Limited

ISSUED CAPITAL: 96 679 825 shares of 20 cents each

	Quarter ended March 1983	Quarter ended Dec. 1982	Year ended Dec. 1982
OPERATING RESULTS			
Gold			
Area mined—m² 000	75	72	292
Tons milled—000	407	405	1 531
Yield—g/t	5.90	6.29	5.32
Production—kg	2 401	2 545	8 138
Cost—R/m² mined	262.96	258.18	247.03
—R/ton milled	48.56	45.90	47.11
—R/kg produced	8 231	7 301	8 864
PRICE RECEIVED ON SALES			
Gold—R/kg	16 290	15 322	13 612
—$/oz	469	431	383
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	39 746	39 257	111 485
—costs	19 765	18 589	72 132
—profit	19 981	20 668	39 353
Net sundry income	3 083	2 922	8 725
Profit	23 064	23 590	48 078
Deduct:			
Appropriation for capital expenditure			33 000
Dividend			14 493
Retained profit for the year			585
Capital expenditure	6 924	9 241	25 761
SHAFT SINKING			
Sub-vertical Rock Service Shaft			
Advance (below collar)—metres	91	95	350
Depth to date—metres	643	552	552
Sub-vertical ventilation shaft			
Headgear portion completed—metres	36.0	Nil	Nil
Advance (below collar)—metres	16.5	Nil	Nil
Depth to date—metres	16.5	Nil	Nil

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t
V.C.R.					
Quarter ended March 1983	8 302	1 332	87.0	11.76	1 023
Quarter ended December 1982	7 909	1 332	69.8	16.33	1 140
Year ended December 1982	32 137	5 240	80.4	14.79	1 189

DIVIDEND

The maiden dividend of 15 cents a share in respect of the year ended December 31 1982 was declared on January 20 1983, payable to members registered on February 18 1983 and was paid on March 18 1983.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at March 31 1983 totalled R9 379 000.

BORROWINGS

The company had no borrowings at March 31 1983 (December 31 1982: nil).

For and on behalf of the board

G. LANGTON, F. BENTLEY — Directors

April 22 1983

S.A. LAND

The South African Land & Exploration Company Limited

ISSUED CAPITAL: 9 182 700 shares of 35 cents each

	Quarter ended March 1983	Quarter ended Dec. 1982	Year ended Dec. 1982
OPERATING RESULTS			
Gold			
Tons milled—000	549	545	2 089
Yield—g/t	0.80	0.78	0.85
Production—kg	440	423	1 752
Production, transport and screening costs			
—R/t milled	7.07	6.91	6.48
—R/kg produced	8 825	8 898	7 651
PRICE RECEIVED ON SALES			
Gold—R/kg	15 950	15 328	13 062
—$/oz	459	422	372
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	6 959	6 453	23 122
—production costs	2 282		
—transport and screening costs	1 601	3 764	13 405
	3 076	2 689	9 717
Less cost of dump material	1 807	1 893	6 402
Gold profit	1269	796	3 315
Sale of salvaged equipment and scrap	13	10	34
Net sundry revenue	485	646	2 768
Profit before taxation	1 767	1 452	6 117
Taxation—estimated	182	(371)	134
Profit after taxation	1 585	1 823	5 983
Deduct: Dividend—interim			3 214
—final			3 673
Reduction in retained profit			904
Capital expenditure	980	2 251	5 830

DIVIDENDS

The final dividend of 40 cents a share in respect of the year ended December 31 1982 was declared on January 20 1983 payable to members registered on February 18 1983 and was paid on March 18 1983.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at March 31 1983 totalled R83 000.

BORROWINGS

The company had no borrowings at March 31 1983 (December 31 1982: Nil).

DE-WATERING OF VAN DYK NO. 5 SHAFT

De-watering of the Van Dyk No. 5 shaft continues and has now progressed to 243 level (2 430 metres below surface). Preparations are now being made to commence sampling on 234 level.

For and on behalf of the board

G. LANGTON, F. BENTLEY — Directors

April 22 1983

VAAL REEFS

Vaal Reefs Exploration and Mining Company Limited

ISSUED CAPITAL: 19 000 000 shares of 50 cents each

	Quarter ended March 1983	Quarter ended Dec. 1982	Year ended Dec. 1982
OPERATING RESULTS			
[illegible]			

VAAL REEFS—continued

[illegible]

BORROWINGS

Information given in terms of the recent requirement of The Johannesburg Stock Exchange.

At March 31 1983 the company's borrowings totalled R29 923 000 (December 31 1982: R31 429 000) of which R4 683 000 is scheduled to be repaid by March 31 1984. The interest charge for the quarter ended March 31 1983 was R255 000 (December 31 1982: R250 440). The borrowings comprise consumer loans, a loan from Southvaal Holdings Limited to finance capital expenditure in the South Lease area, building society loans for staff housing and loans to finance the building of shopping complexes and a service station.

For and on behalf of the Board:

G. LANGTON, F. BENTLEY — Directors

April 22 1983

SOUTHVAAL HOLDINGS LIMITED and THE AFRIKANDER LEASE LIMITED

The attention of shareholders of these companies is directed to the report of Vaal Reefs Exploration and Mining Company Limited.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTES

1. DEVELOPMENT
Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

2. FORWARD SALES OF GOLD
Most of the forward sales of gold contracts entered into by the companies during 1982, which were still in force at December 31 1982, were closed during the past quarter, resulting in a slight reduction in gold revenue for the quarter.
There have been no further forward sales.

The Orange Free State Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries:

Charter Consolidated P.L.C., PO Box 102, Charter House Park Street, Ashford, Kent, TN24 8EQ.

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UK NEWS

Venture capital in Europe 'could succeed'

BY MARK MEREDITH

VENTURE capital investment could succeed in Europe, as it had in the U.S. if capital managers found a way to encourage entrepreneurism despite the economic realities and the dead hand of socialism, Mr Peter Brooke, managing partner in TA Associates Boston, said yesterday.

He was speaking at a conference in Edinburgh on venture capital, co-sponsored by the Financial Times, the Scottish Development Agency and Venture Economics of Boston.

Mr Brooke is a leading figure in the movement, which involves financing small, rapidly growing companies with active management involvement by the investors to assist entrepreneurs in developing their companies.

He said that the entrepreneurial class in Europe was not as well developed as in the U.S. because of a recurring leftward swing in politics and high social costs.

He urged a professional approach to venture capital through a proper investment strategy, with the right balance of accounts between companies at various stages of growth, between debt and equity securities and the right spread among various industrial sectors.

Mr Stanley Pratt, editor and publisher of Venture Capital Journal in the U.S., emphasised the importance of venture capital organisations working through the entrepreneur.

He noted that of the top 1,000 corporations in the U.S. not a single net job had been gained, while among eight leading companies backed by venture capital 72,000 jobs were created.

Venture capital partnerships had shown a compound growth rate of between 20 and 25 per cent a year over a seven to 10 year period, while the rate was more like 4 per cent among leading large corporations.

Dr George Mathewson, chief executive of the Scottish Development Corporation and chairman of the conference, said that no European venture capital movement of any major significance had emerged.

"In my opinion the reason for this is clear. Europe lacks that ingredient which is the basic ingredient of all economic activity – a market for the products produced," he said.

"The U.S. market is large, sophisticated, receptive to new products and accessible. The European market is fragmented by all types of barriers, real and imaginary, and does not offer anything like the same opportunity."

The market must be more accessible to new companies. A new breed of Euro-venture capitalists was needed with an in-depth knowledge of how to penetrate European markets.

Mr Elserino Piol, director of corporate strategy for Olivetti, reviewed his company's experience of venture capital as a window on technology, using these investments to gain access to new fields.

Olivetti's venture capital activity, he said, was also useful in analysing the reasons why some companies failed.

Olivetti's investment policy was to bring in another venture capital outfit on any of its own venture capital investments.

M Herve Hamon, managing director of France's largest venture capital company, Soffinova, said that venture capital still had a long way to go in France.

It represented half a dozen specialist establishments with a total capitalisation of almost FFr 500m.

Financial Times conference on venture capital investment

These companies had carried out approximately 300 investments.

He said the conservative behaviour of the French financial community and the lack of a sustained market for shares in small and medium-sized companies explained the modest nature of venture capital growth.

Recent trends pointing to a change, M Hamon said, were the growing number of initiatives in the past four or five years to set up small and medium-sized high technology companies and the gains of French industry in the field of high technology.

Dr John Morris, investment director of the Welsh Development Agency, spoke of the experience of the agency's Hafren investment finance company in its early days when failures had tended to undermine staff morale and confidence.

Other speakers at yesterday's session included Mr Gerald Lodge, chief executive of InnoVen of New Jersey, Mr Geoff Taylor, general manager of Technical Development Capital, Mr Dennys Watson, head of the Task Force on Industrial Innovation at the EEC, Mr I. M. Herman, managing director of Birmingham Technology, Professor J. R. Mallard, head of biomedical physics at Aberdeen University, Dr D. S. Allam, chief executive of Prutec, Ambassador Johan Nordenfalk of the ministry of Finance in Sweden, and Mr Klaus Friebe of VDI Technologiezentrum of West Germany.

Shell saves £212m

BY RAY DAFTER, ENERGY EDITOR

THE Royal Dutch/Shell Group saved £212m by lowering oil stocks last year. The rundown in stocks has been a prime factor in the decline in worldwide oil demand and the consequent price fall.

Sir Peter Baxendell, chairman of the group's committee of managing directors, has refused to disclose Shell's current stocking policy, although he indicated last week that there were signs of stock shortages among some of the oil companies' customers – such as petrol stations in the U.S. and Western Europe.

The annual report of Shell Transport and Trading – the group's UK arm – says stocks began declining in 1981, although then the reduction was offset by higher prices.

Last year the volume reduction was accompanied by a fall in the average price of oil, resulting in a decline of £212m in stock values.

Sir Peter, who is also chairman of Shell Transport and Trading, says in his annual statement that current market, with falling energy prices, is a disincentive to the early development of high-cost unconventional fuel projects.

Many governments, he says, will have to introduce "fiscal arrangements appropriate to the new environment" to encourage industry investment in the production of hydrocarbons.

The group's net income last year was £1.99bn, virtually unchanged from the previous 12 months

THE ARTS

Opera and Ballet

Arts Week

F	S	Su	M	Tu	W	Th
22	23	24	25	26	27	28

PARIS

Stuttgart Ballet presents Eugene Onegin with Tchaikovsky's music arranged by Kurt Heinz Stolz and choreography by John Cranko at the TMP—Chatelet (261 1983).

Bob Fosse's Dancin', having taken the U.S. and Italy by storm, is now at the Palais des Congres (758 1436).

Modern Dancing with creations by Alwin Ailey and Andy de Groat and Glen Tetley's Voluntaries with Erzsebet/Pallasse at the Paris Opera (742 5750).

Offenbach's La Belle Helene in a new production conducted by Alain Lombard at the Opera Comique (296 0611).

LONDON

Royal Opera, Covent Garden: Poulenc's wonderfully moving Carmelites, not seen here for more than two decades, returns, once again in English, with a splendid cast led by Felicity Lott, Regine Crespin, Pauline Tinsley and Valerie Masterson. Further performances of Don Pasquale, with Geraint Evans, Luciana Serra and Francisco Serra (later in the week replaced by Ryland Davies). (240 1066)

English National Opera, Coliseum: Prokofiev's Gambler, an early uneven, but vivid and exciting work, joins the repertory, in the third of David Pountney's new productions this season. [illegible]

WEST GERMANY

Berlin, Deutsche Oper: Der Freischütz starring Peter Lovenger; a new pro- [illegible]

Music

ZURICH

Tonhalle (251 1580): Christine Gerunikiaus, soprano, Hans-Rudolf Masbach, guitar, Erwin Nowak, violin. Couperin, Lortzi, Ortiz, Monteverdi and others (Mon 8pm); Tonhalle Orchestra conducted by Christoph Eschenbach. Schoenberg and Brahms [illegible]

NEW YORK

New York Philharmonic, Zubin Mehta conducting. Jessye Norman soprano, John Cheek bass, Hans Hotter narrator with the Westminster Choir. Schoenberg (Tue); Zubin Mehta conducting Horacio Gutierrez piano: Schubert, Schoenberg, Debussy, Chopin (Thur). Avery Fisher Hall [illegible]

[illegible] Phyllis Bryn Julson soprano, Jesse Levine viola. Tison Street, Ernst Krenek, John Adams, Morton Feldman, David del Tredici (Mon). Alice Tully Hall, Lincoln Center (362 1911).

Carnegie Recital Hall: Da Capo Chamber Players. Stern, Stock, Tower, Trombly, Wuorinen, Wyner (Thur). (247 7459).

Merkin Hall: Ars Musica, Lyndon [illegible]

PARIS

[illegible] Haydn, Mozart (Tue). Saint-Germain-des-Pres Church (260 3184).

Udo Reinemann baritone, with Yury Boukoff, piano: Brahms, Mahler, Wolf (Wed) Salle Gaveau (563 2030).

Radio France – Orchestre National de France conducted by Zdenek Macal. Frederic Cambreling, harp, Patrick Gallois, flute: Pascal Dusapin, Mozart, Ravel (Wed). Theatre des Champs Elysées (723 4777).

International Beethoven Festival

The first cycle of this year's International Beethoven Festival at Bonn's Beethoven Hall from April 24 to May 10 also includes Mozart, Haydn, Liszt, Schoenberg, Berg, Webern, Boulez, Villa Lobos, Satie. Participants are pianists Claudio Arrau, Volker Banfield, Alfons and Alois Kontarsky, Guerino Mazzola and Daniel Varsano as well as the Alban Berg Quartet, and the Nash Ensemble of London. Reservations and other inquiries: (0228) 773466 and 773467.

Theatre

[illegible] transfigured stage in this lavish re-creation of the London hit. (239 6262)

Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's ruminations on ambition and women reopens with a local cast [illegible]

CHICAGO

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of a middle-class New England family [illegible]

The McGann Brothers in Yakety Yak

Exhibitions

[illegible]

Cinema/Nigel Andrews

Swedish swan song

Fanny and Alexander (15) Lumiere
The Wicked Lady (18) Leicester Square Theatre
10 to Midnight (18) Classic Haymarket and general release
A Swarm in May ICA

Ingmar Bergman's *Fanny and Alexander*, which its maker tells us will be his last feature film, is three hours of dazzling visual and dramatic wonderment. It has you searching through Polonius's dictionary of styles for a definition: the film is tragical-comical-allegorical-fantastical; wrapped in threatric vivacity and Art Nouveau flourishes and red damask drapes and fierce, sudden pinches of Grand Guignol.

At times over the last 40 years—he directed his first movie in 1946—Bergman's retirement might have been greeted with a lip-service "Oh dear" rather than a heartfelt one. For the angst was piled on in his work like a visit to the dentist. But this time I can vow (since I *did* visit the dentist after seeing the film) that Bergman's film is far more entertaining than molar extraction or root-canal work.

In Act One a rich and multitudinous family celebrates Christmas in provincial Sweden in 1907. Uncles, aunts, children, toys and adrenalin explode across Susanne Lingheim's sumptuous decor and cameraman Sven Nykvist's rich red, *gold and green screen palette*. In Act Two the moods and colours change and tauten. Actor-manager Oscar, one of three sons to the widowed matriarch Helena, dies, leaving his two children Fanny and Alexander to the doomy fate of his beautiful wife's ensuing marriage to a cold hearted Bishop.

The children suffer incarceration, toy deprivation, Biblical *brainwashing and many a cruel*, "good for them" chastisement. In Act Three the palette storms back to vivacity as the step-tyrant is elaborately vanquished and the children return, newly strengthened by adversity, to the truly good for them joys of freedom, play and a vast, loosely loving family. The scheme of "acts" is never spelt out by Bergman but it is ghostly present throughout. *Fanny and Alexander* is a "theatrical" movie in the best sense.

In the Christmas scenes, a giddy gallery of relatives strut across the screen with introductory masks like fugitives from Strindberg's *A Dream Play* (to which the movie is packed with supple references). But as in Strindberg, the hierarchy of "types" is introduced only for the artist then to surprise us by shuffling the deck.

Bertil Guve and Pernilla Allwin in 'Fanny and Alexander'

Grandmother Helena (Gunn Wallgren) is an erect and silvery *grande* dame one moment, the next a frail coracle of nostalgia rocked on the sea of family photos spread out on her parlour table. Uncle Gustav (Jarl Kulle) oscillates between over eager philandering —"Whoops, damnation, the rocket went *off too soon!*" he says when prematurely climaxing with the maid—and peevish tantrums of marital remorse. And the Bishop (Jan Malmsjo) is a marlin spike of white ice in one scene, the next ruby with anguish and confusion as his wife threatens desertion.

But it's with the children that Bergman's treatment is most brilliantly chameleon. Fanny (Pernilla Allwin) is a two-tone bundle of sweet submission and slyly kindling mischief. And Alexander (Bertil Guve), surely Bergman's own 10-year-old alter ego, is first glimpsed afire with the delights of make believe—he stages *paraffin lit midnight magic*-lantern shows in the nursery—but becomes a rage white anarch when pitted against the Bishop and his penal pieties.

The film changes speed and direction like a fairground rollercoaster; yet it never threatens to run off the rails. There's a passage of magical moods switch when the children are rescued by their bearded Jewish Uncle Isak (Erland Josephson) and brought to spend the night in his sprawling gloomily lit, gewgaw crammed mansion: where dolls creak, mummies sigh an an army of wooden puppets bristle against the walls like a petrified human forest.

The film's belief in the animating power of human fantasy here creates an electrifying spirit world, equal mixed of dream and nightmare; a revivifying purgatory en route from Calvinist Hell to familial Heaven.

The "message" of *Fanny and Alexander* is a plea for moral and spiritual generosity to men and women both young and old. Grant them their toys, their make believe, their ghosts, their minor madnesses, even (with Uncle Gustav) their amorous subterfuges. They will repay you a hundredfold with warmth, vitality and the *infinite* variety of the human imagination.

★

In invoking the powers of the imagination, of course, you have *to* take the rough with the smooth. Michael Winner's imagination is not always something you want to plug in. It tends to explode in your face, plastering your cheeks with bits of Charles Bronson gun-toting in Muggerville U.S. *(Death Wish)* or Sophia Loren rampant in the subtropics *(Firepower)* or in *The Wicked Lady* Faye Dunaway having *her* reputation as a serious actress dunaway with in this supremely dotty remake of the 1946 Restoration romp which starred Margaret Lockwood and James Mason.

The U.S. superstar dons low cut peach coloured tapestries to play "Lady Barbara Skelton," who relieves her marital ennui with Sir Denholm Elliott by charging off at the witching hour every night to become a highwaywomen. She also enjoys a concurrent *amour fou* with fellow robber of the road Alan Bates, though this has its ups and downs. And Sir John *Gielgud as Hogarth the butler* ("These are daaark days" wags many a reproving semiquaver at Milady's misdoings.

Whenever the entertainment flags, Winner exploits one of four options: (i) a zoom shot; (ii) a pair of naked boobs; *(iii) a tomato coloured sunset*; (iv) Faye Dunaway widening her eyes as if trying to make them pop out. The film is desperately silly, sometimes entertaining, and will be remembered for nothing at all a year or 10 hence except for *the equally silly* censor furore over a mild bit of mammarial flagellation.

★

There is far more nudity and nastiness in *10 to Midnight*: wherein a youthful lady-killer (Gene Davis) strips right down to his unstockinged feet whenever he commits a murder. He *thus avoids getting* incriminating bloodstains on his clothing and gives gimmick-hungry producers a new novelty with which to sucker in sex and violence seekers. Starring Detective Charles Bronson and directed by the seasoned shock-vendor J. Lee Thompson, this awful movie grunts out the old vigilante justice message — "Don't do what's legal, do what's right" — and dies very early, about reel three, in the *execution of* its duty.

★

A Swarm in May is the yearly feature-length offering from the Children's Film Unit. Director Colin Finbow seems to make no more head nor tail than the audience of a complicated plot about bees, introits and choristers. But the juveniles act well — there's far more zest and naturalism and batty schoolboy slang than in the mummified products of the Children's Film Foundation (not to be confused) — and the £30,000 that the CFU currently needs for survival seems a small sum to keep this plucky troupe in business. Is there a philanthrope in the house?

Twelfth Night/Royal Shakespeare

Michael Coveney

The dark melancholy of Shakespeare's comedy is impressively drawn out in John Caird's carefully insinuating revival at Stratford-upon-Avon. The play is set on a neo-classical exterior, ingeniously designed by Robin Don, with Illirya a cliff-top retreat where the waves beat against a distant shore and a jutting, craggy knoll pushes out and away into the sky. A great *gnarled tree dominates* the stage. To the left, we see the neglected pillars and wrought-iron gates of Olivia's fortress. To the right, a chapel with a flickering candle by the door.

The elements and the music are wonderfully blended in Ilona Sekacz's sound track, and the action is clearly undertaken over the course of two days. A temporary technical hitch on the opening night only served *to underline the* pervasive beauty of David Hersey's lighting design. The ring Cesario disowns when pestered by Malvolio has been left on a slender branch of the tree, and Feste, left alone at the end of the thunder and lightning, retrieves it *before hearing his song* echoed from within the gates.

Orsino's court has encamped on the knoll and the tree can also accommodate the late-night revels of Toby and the others. The Sir Topaz scene is convincingly played with Feste addressing his victim down a well, which is concealed beneath a heavy stone. The gulling of Malvolio is observed by his persecutors entwined in the tree's *branches*.

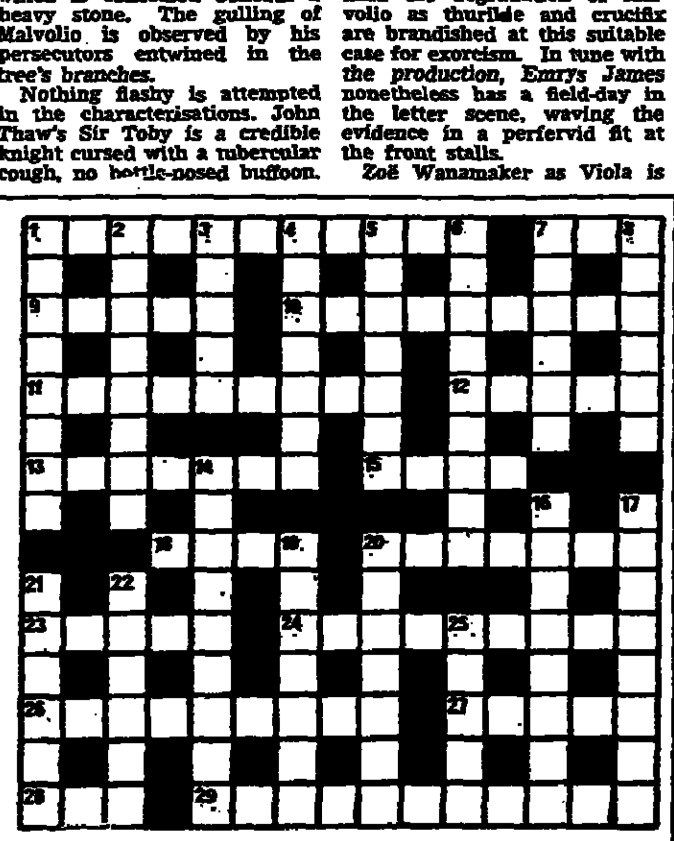
Nothing flashy is attempted in the characterisations. John Thaw's Sir Toby is a credible knight cursed with a tubercular cough, no bottle-nosed buffoon. Daniel Massey's Aguecheek is a touching aristocratic remnant with *some* very funny business in the duel scene. Both knights harmonise with Richard O'Callaghan's reedy-voiced but substantially recalcitrant Feste.

On Malvolio's arrival, the Maria of Gemma Jones, a most exact and detailed performance, makes her final decision. "Go shake your ears," she bellows at the steward, and her prim participation gives way to full consent. For once, too, we understand the superstition behind the degradation of Malvolio as thurible and crucifix are brandished at this suitable case for exorcism. In tune with *the production, Emrys James* nonetheless has a field-day in the letter scene, waving the evidence in a perfervid fit at the front stalls.

Zoë Wanamaker as Viola is a little busy in the willow cabin speech, but she brings off the zest and querulous adventuresomeness of the part magnificently. She combines urchin appeal with feminine guile and is androgynous without being *fey. Sarah Berger's Olivia has* a fine moment when she brutally intervenes in Sir Toby's attack on Cesario.

Sebastian's (Nigel Cooke) *glorious sun is a blush-red* setting one, the below-stairs fracas tinged with the imminent dawn. Feste's mimicry of Sir Topaz has obviously been studied from the original, who flits across the stage after an unusually interesting setting of the "*Good man devil*" verse. Alix Stone's costumes deserve more praise than this final brief mention. In all, this is a very fine production, full of care, detail, and *rewarding charm*.

F.T. CROSSWORD PUZZLE No. 5,153



ACROSS

1 Navigator leader to fiddle? (7, 4)
7 Leaders of best used system for transport (3)
9 Makes great strides (5)
10 Latticework on cultivated land is about (9)
11 This is not over yet (9)
12 Therefore woman goes to church (5)
13 In certain tune, quality is imbalanced (7)
15 Traditional return for throwing at board (4)
18 Silence round laughter for King (4)
20 Confounded by brilliance (7)
23 *Work of artist in chimney* backing (5)
24 H.M. in great trouble? That's terrible (9)
26 Flowing near Trent valley (2-7)
27 Baffle lord between English pair (5)
28 Seen in garden in Devon? (3)
29 Needed for law, boy and a girl go in without hesitation (5, 6)

DOWN

1 Hard bit of maths? (8)
2 Made hot, so showered (8)
3 Main *uplifting* work *for* Greek author (5)
4 Rugby Union turning up in part of S.A.? To be expected (7)
5 *Series of balls was sufficient?* Exaggerated (7)
6 A thousand cycles passing in a second (9)
7 Clever one in the *sea* (6)
8 Female elk exchanged for money (6)
14 Cushion to help our street in jumble (9)
16 Request certain enjoyment (8)
17 Supporter's head broke down, made tears (8)
19 Country suspended a railway (7)
20 Nearly turn over the whole by numbers (7)
21 Soil? I'm writing up rich variety (6)
22 Novelist sounds colourful (6)
25 Intrude without resort to lock? (5)

Solution to Puzzle No 5,152

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Friday April 22 1983

How to fund technology

One of Japan's competitive strengths is said to be its ability to harness the combined talents and resources of government, industry and academic institutions in pursuit of defined national goals. The so-called fifth-generation computer project, launched in 1981, is widely seen by competitors in Europe and the U.S. as the latest and most threatening example. The British Government is now in the final stages of considering a plan, put forward by the Alvey Committee last year, which in the minds of some of its authors has strong affinities to the Japanese approach.

The proposal is for a national programme in advanced information technology, involving collaboration between industry, the academic sector and other research organisations, with government backing. In the form proposed by the committee the programme entails a degree of central planning and direction which goes beyond current schemes designed to encourage technological advance. Thus for a government which, in theory at least, is hostile to state intervention, the Alvey report poses issues of principle, quite apart from the practical problems of how the programme should be managed and funded.

Recommendations

Alvey recommends a five-to-ten-year programme covering basic research and design tools in four key "enabling technologies": software engineering, very-large-scale integration, man-machine interfaces and intelligent knowledge-based systems. The total cost over the first five years is estimated at £350m. Government would provide 100 per cent of the funding for academic research and education and some 60 per cent for industrial work; the balance would come from industry. A new directorate would be set up within the Department of Industry; the director would have substantial powers and resources to implement the programme.

The Alvey proposals come at a time when the trend towards collaboration in high technology is well established. This is not just a response to Japanese competition. Even a company as large as IBM recognises that it does not have the resources to master all the relevant technologies on its own. Within the European Community the Commission has sponsored the ESPRIT programme in which 12 companies, including three from the UK, are co-operating on research into new electronic components and information systems.

The UK has had some experience of inter-company co-operation in semi-conductors and related fields, mainly based on defence requirements, and this approach has recently been extended. At the end of last year the Department of Industry launched the Joint Opto-Electronics Research Scheme, which supports collaborative ventures at the "pre-competitive" stage of research, usually involving two or more companies and university laboratories.

The Alvey proposals are more ambitious and take the principle of collaboration a good deal further. There are dangers that a centrally directed programme, largely funded by government, could become too remote from the marketplace and might not enjoy the wholehearted commitment of industry. For this reason there is a strong case for a 50-50 basis of funding and for a large part of the responsibility for initiating and implementing projects to rest with the companies. The opposite danger is that, without strong management at the centre, public money will simply encourage dabbling in a variety of unco-ordinated projects. It is right that there should be a collaborative framework, but it must be flexible enough to respond quickly to changes in technology and in market requirements.

Pooling resources

The principle of public support for basic research in universities is long established. What is suggested is that some academic work should be related in a rather more organised way to the next stage of the development process. This linkage already occurs to some extent through private initiatives by companies, but there is certainly a case for extending it. Another helpful feature would be a greater sense of national purpose, so that the relatively small number of top-class researchers in the field would be aware of a firm commitment on the part of government and industry.

Co-operation on high technology projects is not one of the UK's strong suits, but a pooling of resources is made increasingly necessary by the high costs of research and the difficulty of keeping pace with advances in knowledge. The Alvey proposals, shorn of some of their dirigisme, provide the basis for a programme which deserves to be supported.

Pros and cons of consensus

BITTER RHETORIC in the campaign leading up to Sunday's parliamentary election in Austria must not obscure the fact that the underlying social consensus there is no more under challenge than in neighbouring Switzerland.

Both countries and many outside observers look upon that consensus as the secret of economic success. Persistent below-average inflation and unemployment ratios are evidence of that success. Industrial strife is all but unknown. Swiss trade unions have had a tradition of no-strike agreements since the 1930s. In Austria trade union policy since the war has been to squeeze the best possible deals from employers without confrontation.

Union leaders have accepted that in poor years that may mean stagnation or even reduced real income. They have no illusions about a policy of redistributed wealth. It is a common saying among Austrian union officials that where nothing is produced, there is nothing to distribute. Trite, but sound.

As long as union leaders can be sure of their members such an attitude gives employers more security on several counts. Disruption of production by labour disputes is almost unknown. So it is an important selling point of both Swiss and Austrian exporters that they can be trusted to stick to delivery dates. The effect on costs of discipline and moderate union policies needs no further discussion.

But the social consensus extends urther. In both countries the hard currency policy is not controversial. Unions and employers—the latter occasionally with gritted teeth—believe that allowing the exchange rate to fall is an undesirable soft option. Given the high dependence of both countries upon imports of raw materials and components that belief has a firm basis. In turn, it must reinforce the determination of both sides to keep inflation at bay.

The negative sides of consensus are less immediately apparent, but none the less real. The price to pay for a docile (not cowed) labour force and for a far-reaching integration of union representatives into the political and economic decision-making process is the preservation of certain rigidities in the labour market.

Austrian industry has had to accept considerable overmanning. In 1982, employment in industry fell by four per cent, whereas output went down by half per cent only. The implied 3½ per cent productivity gain was achieved largely by reducing over-manning, but overmanning still remains a fact of life.

To overstate the argument, social consensus forbids the use of unemployment as a tool of economic policy.

Malaise

Beyond these economic considerations there are social dangers in the consensus system. It is liable to encourage a feeling that all decisions are made by politicians and officials with scant reference to the wishes of the man on the shop floor or in the street. Rioting by unruly youths in Zurich two years ago was in indication of such disenchantment with the powers that be and their existing system. The riots have subsided, but the causes of malaise persist.

In Austria, disenchantment has taken another form. It has brought support to splinter parties calling down a plague on both houses of the political and industrial leadership. Small though these groups are, they may influence the result of the elections on Sunday critically.

The Austrian Greens like the Zurich rioters are merely marginal groups. That speaks for the homogeneity of both societies None the less, it illustrates the pressures under which the concensus system can come. If one day it no longer guarantees reasonable levels of employment the silent majorities, too, might become fractured.

BRITAIN'S UNIONS

Trouble . . . but it's not like the old days

By John Lloyd, Labour Editor

A show of hands by striking Cowley workers: to some a confirmation of a return to normality

"BL ON STRIKE: recession over." The headlines juxtaposition is not merely ironc: to many, the intractable and apparently trivial dispute at BL's Cowley plant is a confirmation of a return to normality, with union militancy in the bellwether motor industry rising together with the sales figures.

On this view, there are more than Cowley swallows in the spring of organised labour's comeback.

● Ford's Halewood workers went on the strike stones for four weeks to challenge the sacking of an assembly worker who allegedly bent a bracket: they won a compromise board of inquiry which is now creaking into operation.

● Vauxhall workers threatened action on imports: they got double shifting in some plants.

● Tilbury's dockers are staying out on a parity claim.

● Timex workers in Dundee sit in against closure.

● The telecommunications *engineers* battle *stubbornly* on against privatisation by putting the squeeze on the capital's financial and administrative centres.

Here we go again (happy as can be, add some).

Lots of people told them so. Mr Len Murray, the general secretary of the Trades Union Congress, writing in Personnel Management magazine last year, told his readers "if and when there is an upturn in economic activity and the balance tilts towards the workers then do not be surprised if workers remember the scars inflicted on them in the current recession and are ready to inflict a few scars themselves."

Mr Pat Lowry, *chairman* of the Advisory Conciliation and Arbitration Service (Acas) who is seen by many of his political masters as a yesterday's consensus man, warned managers to make structures, not war, before the boot took its inevitable return trip to the other foot. "Don't manage your business through the threat of the dole queue," he told executives in South Wales last week.

Some managers do believe in the vision of unions surging back, knives out. "There are some companies whose cards are marked," said an oil company manager earlier this week—adding nervously: "Not ours, of course." Some union leaders and officials also believe that nothing has changed except the Government: come Thatchers demise, the forward march of Labour begins again.

'Some companies whose cards are marked'

But most don't. Over the past few months, opinion among those who have most to do with industrial relations has tended to reflect this composite view: that while an upturn in the economy will mean a certain revival of union strength in some sectors, the experience of, and the changes which have occurred in the last three years coupled with deeper structural shifts mean that a new set of relations is now being forged between management and labour — though no one is sure what.

The most obvious (and crude) index is that of industrial disputes. Figures soon to be published by the Employment Department will show that over the first three months of the year, recorded industrial stoppages have been running at the rate of around 60 a month —a historic, all-time low. Further, most of these are in the public sector. The private sectors — engineering, food and drink, textiles, chemicals — are almost dispute free.

A typical Transport and General Workers' district officer in southern England has spent much of the last, grinding, three years negotiating redundancies, low wage deals, holding the union's line in the breweries transport companies and paper mills where his members work —and putting in overtime on campaigns against closures or organising the local branch of Trade Unions for a Labour Victory.

"The members are less cowed than they were 12 or 18 months ago, but there's certainly no return of militancy. People now identify more with their company in the sense that they're more aware of its market problems."

The official, in a thoughtful address recently to his local trades council, said he feared a further five years of Conservatism could do deep, perhaps *irreparable harm to the labour* movement's collectivist reflexes, push unions out of the areas where organisation was beginning to spread under Labour and pen unions into their core, well-organised, mass workforce bases. These were often the worst sufferers from recession-induced, or technological, redundancies.

Union officials at every level of their unions fear one thing above all: thaat their hegemony over their members has been broken or significantly diluted, and may never return. Union hegemony is a complex matter —made up in part of economic climate which allows successful bargaining without too much apparent stress, the self confidence of union officials and activists, apparent weakness or conciliatory behaviour on the part of management, a leftish or at least consensual political climate. It is, in part, a confidence "trick" in the literal meaning of the word—and the confidence has now largely vanished.

Or, where it survives still, as in the practice of Arthur Scargill, the mineworkers' president, it is seen by members as inappropriate, and the union leadership is forced to retrench. Sid Vincent, the frank and free leader of Lancashire mineworkers, sat down to his pint after his national executive meeting earlier this month and announced sardonically to the pub: "The mighty mineworkers! Bloody hell!"

Union self confidence will survive better where the local traditions have best sustained it—as at Cowley, Halewood, Dundee, the docks. Comeback attempts will also be most likely in those areas, because the shop stewards, where they have survived in place over the past few years, will be the most ambitious to win back at least part of their positions of power.

They can no longer make a big dispute out of a little dissatisfaction—they would argue they never could—but where a widely held grievance exists, they can still deploy their organisational skills.

However, these are isolated, often doomed disputes: elsewhere, the heads are well down.

Will it last?—the question managers ask with hope, unions with forboding. The answer cannot be a simple yes or no—though the implications of answering both yes *and* no are graver for the unions, at least immediately, than for management.

First, some managers *have* put in place new systems which typically both improve industrial relations (in the sense that disputes are avoided) and weaken at least one level of union power—usually the steward or local official layers.

Take Talbot, for example, the UK offshoot of Peugeot Citroen. The new management of George Turnbull *inherited, in* 1979, an industrial relations system which barely existed: agreements were seldom written down, bargaining went on at all levels and management rarely talked direct to workers.

Now, says Michael Judge, Talbot's IR director, bargaining has been centralised, all plants get equal wage rates and conditions, bargaining is done with national officers who are responsible for the agreement, while referring to joint stewards committees. Each meeting jointly agrees minutes at the end, and these are published the next day.

The crucial management tool —information—now goes top to bottom. On the third Monday of every month at 11.00 am, Turnbull briefs the company's directors on the main issues facing the company. Within 72 hours, the briefing has cascaded down through senior, middle and junior management to the foremen on the floor, who pass it on to their men. In the Ryton plant the line stops for half-hour to allow the process to happen. Recently, the lines in all plants stopped for an hour to allow workers to watch a specially prepared vidoe on the company, and to discuss it.

"There's a *lot* more interest in the company than we thought there would be," says Judge. "And that's come through in quality." Naturally, a company which has slimmed down from 22,000 to 6,000 in the past five years might expect its remaining workers to be less adventurous and have a certain interest in the *company's* future: continued militancy in the face of such a past could not possibly be seen as rational. Nevertheless, the new systems are there, in place, and will be difficult to shift (assuming the unions wished to do so) without an all-but-unthinkable surge back.

It is the violence of the recession, the desperation of many managements, which has swept in the new structures (and often swept out the old activists in exceptionally rough industrial justice). They have been driven—as they would see it—to tackle lousy industrial relations in order to compete and stay in business.

Take Carreras Rothman, which four years ago opened a new plant on a site at Spennymoor in the North East where relations had been dire. Instead of running the plant on conventional tobacco industry lines, it split the workers up into six groups, each with a group leader, each area painted a different colour, each with its own lockers and tea bar. The exercise was a textbook classic in divide and rule—and at the same time, management lines were simplified and information greatly increased. Production and relations improved: in surveys, most workers say they like the new system.

Peter Ball, the Engineering Employers' Federation's director of operations, says that the compression of multipliicty of changes over the past three years means "there's no going back. All the labour shedding that's gone on throughout the main sectors won't, by and large, be reversed. The breakdown of craft demarcations won't be reversed. The new ways of doing things, many of them, are simply here to stay."

Second, the long term, structural shifts in the pattern of industry are moving against the union's traditional ways of organising. Mr Jim Hammer, HM chief inspector of factories, earlier this week pointed up what these changes are:

● Labour intensive and large-scale production is increasingly being taken over by the Third World, leaving advanced countries with pilot and early production processes.

● Big employers of labour in the advanced countries are laying off workers to get down to a core of permanent employees.

● As much indirect work as possible is being hived off to small service companies, often begun and staffed by former big company managers and employees.

In many sectors—such as transport, maintenance and catering—the shift from direct to indirect provision is likely to be permanent.

The implications for union organisation are clear enough. Especially when financially weakened, unions canont hope to organise a multiplicity of small employers, many of whom are hostile to unionism. Their well-organised bases continue to be whittled away the faster as automated production and clerical techniques are introduced. As the material base for unionisation erodes, so does pro-union sentiment and union political power.

This is precisely the vision which haunts union leaders. Some, like Bill Keys, general secretary of the print union Sogat 82, have stumped the country, learning that youngsters are rarely attracted to the Labour movement, warning that the growing gulf between union leadership and members threatens to contribute to a social anomie which will generate a new, more desperate and widespread cycle of rioting. "I see no alternative, if present policies are followed. I have never known the depths of alienation as I have seen in past years. I do fear for the future."

Bill Keys is no determinist—rightly. The interdependence of the many factors which encourage or discourage union power means that an improvement in any one of them could lead to at least a temporary change in fortunes: as an obvious example, the election of Labour at the next polls would greatly assist the unions.

A whittling-away of the unions' power bases

Yet even that, which they most devoutly wish, would not negate the other factors we have examined. Even that could not—or certainly should not—stifle the necessary debate on their purpose and strategies. Even in the face of such a victory, unions would have to change fundamentally, re-think both their political and industrial reflexes for an industrial world more diverse, a membership less easily disciplined and organised and managements less easily impressed.

Men & Matters

Unsocial name

Sir Keith Joseph, Education Secretary, is not letting such minor diversions as the current election fever intrude upon his quest for a greater sense of exactness in the Social Science Research Council.

He was more than a little ruffled last year when Lord Rothschild's report into the work of the council told the politicians to leave the SSRC and its budget well alone.

Rothschild evidently felt that the council had become the victim of an attack not wholly based upon cool reason.

Joseph, Fellow of All Souls, has at various times in his career propounded controversial social theories of his own. He could scarcely dismantle the SSRC, however, on the strength of that inquiry which was, as Rothschild noted at the time, no less than thetenth external review within ten years.

The minister contented himself with nibbling at the budget and demanding the council should change its name.

It is thename change problem that is now causing disorder in the council's corridors. Michael Posner, chairman, has sent off about 140 letters to those interested or even vaguely interested, to seek advice.

The shorted proposal offered him so far is Social Research Council, and thelongest Social Psychological and Economic Research Council. I am sorry to have to report there is not a decent acronym among them.

Sir Keith has set certain ground rules in the choosing of the new name. The phrase "social science" must disappear. Sir Keith believes that science is a term appropriate to the study of subjects about which conclusions can be demonstrated in a replictable fashion.

Since the council's constitution requires the name change decision to be processed by two council meetings it cannot be accomplished until July at the earlierst. Byt that time Sir Keith Joseph may well be elsewhere. A number of SSRC people are heartily wishing him *bon voyage*.

Ustinov's Russia

Black coluds over British-Soviet relations were momentarily blown away yesterday by gales of laughter at Foyle's Literary lunch in London marking the launch of Peter Ustinov's book "My Russia."

Ustinov, conceived in Leningrad and born in London, as Sir Fitzroy Maclean explained, mimicked his way through a string of anecdotes about his Russian kinsmen to show that Moscow is really "an enormous Dublin."

Viktor Popov, the Russian ambassador in London, seemed delighted as joke followed joke.

Praising Ustinov's book as a contribution to Anglo-Soviet understanding he said this was his own brief in London—but it had sometimes proved difficult.

Popov also seemed to be offering himself as the subject of one of Ustinov's future Russian stories when he explained that he had intended to invite the actor/author to lunch. But he had not yet been able to do so because his chef had broken his leg.

Dry cover

Hoping to find an enthusiastic market in the so-called "total abstainer" population of the Southern bible-belt states, a Swedish insurance firm is now exporting its low premiums for non-drinkers to the U.S.

"Perhaps we're destined to become a nation of Throat Lozenge manufacturers."

Ansvar, the firm in question, seems confident enough.

But will this faith be shattered by an unforseen wavering in prospective clients? Ansvar must know the risks, for it is taking over the Chicago-based operations of The Central Security Company, a mutual insurance firm which offered similar policies but apparently ran into financial trouble.

Undaunted, Ansvar is ploughing $3m into wooing a sober clientele. It hopes the name—meaning "responsibility"—will become as popular a toast with the self-disciplined in the U.S., as "skal" is back home.

Cheers.

Away days

Multispec, of Wheldrake near York, a company which makes equipment for milk analysis by infra red techniques, seem to have taken the aims and objects of the Queens Award for export and technology to their logical conclusion.

Ninety eight per cent of its output is being exported representing sales of some £1,500,000 a year.

While celebrating inclusion in the new award list chairman Jack Shields and his staff of 40 own to some guilty feelings. Perhaps they ought to be selling harder in the home market?

Meanwhile, Multispec has concluded an agreement with the Indian Government to improve milk quality in the sub-continent. With that and other business in view Shields is doubling his factory space and increasing staff.

While the export business thrives the home market push may have to wait a little longer.

Actuarially . . .

Not averse to letting slip a secret or two about their chosen profession the students of the Institute of Actuaries call their magazine Fiasco.

The new issue is running a quiz to test the body of knowledge apparently required to make a good actuary.

A couple of samples:—

Q.—In how many editions of the Yearbook has a statement appeared to the effect that Actuarial Practice of Life Assurance is in the process of being rewritten?

A.—Seven.

Q.—How old is the oldest member of the Institute?

A.—Ninety eight.

He (or she) must be getting a little anxious about the long-awaited handbook.

Observer

BREWING SURVEY

The Financial Times wishes to apologise to its readers and the advertisers within the Brewing Survey for moving the survey from today's issue to Monday 25th April's issue.

POLITICS TODAY

Why hunches are still so important

By Malcolm Rutherford

ONLY ONE person could answer the dominant question of the week and, as far as one can tell, she has not yet decided.

Mrs Thatcher has said that she will consider seriously the date of the general election when her Government has been in office for four years. That coincides more or less with the local elections on May 5. The coincidence, however, is unfortunate since it has led to assumptions that those elections will be some sort of test of national opinion. Perhaps, but not very much.

The previous local elections in 1979 were unusual in that they were held on the same day as the general election so that the turn-out was unusually high. This time it is likely to revert to the more customary 40 per cent or so. The basis of comparison is limited. There are also no elections in London or Scotland, so a large part of opinion is not being tested at all.

The elections might reveal something about the effects of the new boundaries and, more importantly, the performance of the Liberal-Social Democratic Alliance. But it would be pushing it to look for much more. Mrs Thatcher will therefore have to choose the date largely on the basis of other evidence and, of course, hunches.

Yet the striking news of the week has been the way that the pressures in favour of June have been building up and the fact that she has done nothing to quell them. Indeed there seems to be something about the prerogative of setting the election date that almost goes to the Prime Ministerial head. Mrs Thatcher referred to the popular song Maggie May, in her speech to the CBI on Tuesday, much as Mr James Callaghan once teased the TUC by singing, Waiting at the Church.

The official explanation of why the Prime Minister allows the speculation to continue is that she does not want to rule out any option. And the accepted consequence of that is that the speculation will go on for several more weeks. For it is said that she has genuinely not yet made up her mind: not an implausible thought.

Still the buzzes abound. Sir Geoffrey Howe, the Chancellor of the Exchequer and obviously a key figure, denies that he has let it be put about that he is now a June man and has asked an official to look into where those stories came from. He says that he is agnostic. Having recently been busy on the Budget and now preparing for the economic summit meeting in Williamsburg, he may reach a conclusion later, but accepts that the ultimate decision rests with the Prime Minister, as indeed it does.

Yet despite all the assurances that everything is still open, it is remarkable how many conversations end with "the tide is now flowing for June," or words to that effect.

There are three main reasons for this outbreak of election fever. One is the latest opinion

You cannot spot a trend from one set of figures

polls and the apparent demise of the Alliance. The second is the pick-up in the economy and the third is the way in which the demands for a June election tend to become self-sustaining and may even become self-fulfilling.

That third reason is much the most serious. Politicians have a curious tendency never to believe anything unless they have first read it in the Press or seen it on television. Thus if the media start saying that there might be a June election, the idea becomes credible, especially if they do it more or less in unison. Even the opposition cannot resist, for the one thing that opposition parties cannot say is that they are not ready to fight an election at any time.

So the media and the politicians feed on each other to the point where a general election in June could become very difficult to get out of. That is precisely what has been happening this week. The media have removed one of Mrs Thatcher's inhibitions, which was that there was no obvious reason for going to the country a year ahead of time. A reason for going early might now be that the country has come to expect it.

It is still worth looking at some of the other factors. Take the polls first, or even numbers in general. It is extraordinary how people react to one set of figures. For instance, when the pound was falling a couple of weeks ago, it was widely assumed—even in the City—that it would continue to do so. Then it rose quite sharply.

The point is that you cannot spot a trend merely by looking at the latest indices. It is the same with opinion polls, only more so. There is a view that the Labour Party is staging a comeback largely because its share of the vote was given at 34-35 per cent in two recent polls, one by Mori for The Standard and the other by Gallup for the Daily Telegraph, though the Marplan poll in yesterday's Guardian was slightly less sanguine. The gains appear to have come from the Alliance.

Yet even in its dark days not so long ago Labour's rating very rarely fell much below 30 per cent. It is hard to be sure that much has changed because it has moved up a few percentage points in April. And if you relied on the snapshot of public opinion as presented by the polls immediately after the Bermondsey by-election in February, the Alliance would have seemed on the up and up.

The only firm conclusion that can be drawn from the polls is that for over a year now (since the Falklands) the Conservatives have been consistently ahead of Labour and the Alliance, though not both groupings combined. But the Tory lead has not always been reflected in by-elections and the single most important factor is the number of people who are not strongly committed to any party: otherwise the polls would not go on changing so much.

The other factors which the polls inevitably cannot take into account are the effects of an election campaign on the result and what happens between now and when an election is called, most of which is, by definition, unforeseeable. So in the end a lot of the business of choosing an election date does come back to hunches.

The conclusions to be drawn from the incipient economic recovery are not clear-cut either. On the one hand, even Mr Michael Foot now appears implicitly to admit that recovery of a kind is taking place, though it may do nothing in the short term to relieve unemployment. See his speech to the Engineering Workers' Union on Wednesday. And it must be true that recovery helps the Government. The question is what to do about it: play it long or play it short?

Playing it short, by going to the country in June, would automatically expose the Government to the charge of "cut and run," to which Mrs Thatcher is so sensitive. Yet playing it long, by delaying until next March, also carries risks. There may be upward blips in inflation and unemployment in the autumn. There may even be some of the developments which the Government most fears: a sharp rise in U.S. interest rates, a collapse of the oil price and a change in the leadership of the Labour Party. If the economic outlook began again to grow dismal in the Government's fifth year, the electorate might turn upon it with a vengeance.

That is a risk worth taking. Much of the Conservative Party has come to believe excessively in Murphy's law: if anything can go wrong, it will go wrong. Murphy was not quite right. Sometimes things don't go wrong, though whether by accident or design is another matter.

Last autumn I wrote an article called "The case for a June election." It was based on the (naive) assumption that the campaign would be carefully planned six months or so in advance. The Government could have been prepared to say that it had carried out most of the manifesto commitments on which it came to power and needed a new mandate. It wasn't.

Today the Conservatives have a different opportunity. That is, to preside over the economic recovery that has come about partly for reasons outside the Government's control, but which might provide a welcome period of stability. All political parties would have time to think about the future without being under pressure of continual legislation in the House of Commons.

To decide to go in June now would risk looking opportunistic and even be suggestive of fears of problems to come. Besides, the Government has no difficulties about its parliamentary majority and the main point about a five-year term, as distinct from the shorter life spans under the constitutions of other countries, is to allow the Government time to get on with the job without undue pressures from forthcoming elections.

The case for October rather than June this year or spring 1984 is the politicians' compromise. For, in practice, there is no significant difference between late June and early October. All that will happen in between is that people will go on holiday, and perhaps the unforeseeable. The real argument is between June and next year. The resolute approach now would be for Mrs Thatcher to stick it out.

Whether she will remains an open question. It is worth remembering that in early 1981 most of the pressures in the Conservative Party and in the country at large were for a reflationary Budget. It was even generally expected. It didn't come and the fact that it didn't come is no longer particularly regretted by Tories.

There may be a lesson there about the election date: popular pressure from within the party and the country can be successfully resisted.

* * *

Anyone who wants to study the possible effects of boundary changes on parliamentary representation should have a look at Mr Robert Waller's Almanac of British Politics* published this week. The boundary changes are the most comprehensive since 1950 when 80 seats remained intact. This time it is only 59 and in an enlarged Parliament to boot.

Mr Waller gives thumbnail sketches of all the constituencies and the notional results if the 1979 election had been fought on the new boundaries. The Tories benefit by an extra 30-40 seats. It is a mixture of the hypothetical and the anecdotal, which is largely what political analysis is about. But never forget hunches, which can put the poetry back into politics.

* Croom Helm. £12.95.

Ashley Ashwood

Mrs Thatcher—who has done nothing to quell election talk—on her visit to Marks and Spencer's Marble Arch store this week

Lombard

Over-funding revisited

By Anthony Harris

ROGER BOOTLE of Capel-Cure Myers has raised again this week a question which was much debated last year, but seemed to have faded away: are the money supply figures behaving themselves because we now have the balance about right, or because they are fudged? In particular, is overfunding just another device like the old banking corset, designed simply to produce a flattering figure?

On the face of it, he puts up a case which needs an answer. Over-funding, you will not need reminding, is a device by which the Government sells more stock than is required to finance its own borrowing, and feeds the money back into the banking system by buying commercial bills. The end result is that bank deposits are drawn down (to buy the extra gilts), but bank lending is simply switched into the bill market, and interest rates are unaffected. To put the philosophy in a nutshell, the authorities counteract the growth of bank intermediation (borrowing short to lend long) by operating like an inverted bank (borrowing long to lend short).

It does fairly reek of fudge if you believe, as Mr Bootle explicitly does, that monetary control is simply another name for credit control. This is good orthodox stuff: the Bank of England introduced its new regime 12 years ago under the title Competition and Credit Control, without mentioning money, and Milton Friedman, no less, has described money and credit as two sides of the same coin. The British authorities now seem to have contrived a coin which is bigger on one side than the other, which looks about as honest as tossing a double-header.

Just a moment, though. "Credit is a very elastic word, and it is certainly not orthodox to count long-term bonds as money, or long-term borrowing as the kind of credit we are trying to control. There is, it is true, an extreme and old-fashioned view which regards all borrowing, long or short, as potentially inflationary, and especially all government borrowing; it is this kind of thinking which lies behind the nostalgia for balanced budgets.

However, there is no sign that Mr Bootle is so extreme; he does not denounce the sale of gilts to finance government borrowing, which is what is really meant by monetary control in Britain. Even the puritan Enoch Powell would agree: he denounces only that part of government spending which is not financed by taxation or by genuine long-term saving.

The Government, however, is not the only potential borrower who can mop up money by borrowing long. Corporate borrowers can do the job just as well when they fund their own bank debts by selling debentures or new equity. Money is absorbed, and bank lending paid off. Indeed, it has been a central aim of Bank of England strategy to get industry to share the burden of funding.

Success, however, has proved elusive: real interest rates have remained too high for any but a few foolhardy banks to risk a long-term commitment, while the tax rules do not favour less burdensome alternatives such as indexed or deep-discount borrowing. The Government is simply exploiting its own tax privileges to borrow on behalf of industry, issuing bonds and passing the money on at floating rates.

It is hard to fault this from the point of view of monetary control: bonds are substituted for money. Even the taxpayer ought to be pleased: since the real interest rate on bills is higher than that paid on indexed gilts, the operation should show a cash profit. Industry should also be pleased: the operation holds long rates up and short ones down, and so helps to make bank credit cheaper and the exchange rate keener than a more puritan approach would do.

The only losers in this apparently ideal system are the banks: they lose some of the cream off their assets, but are left with the contingent liabilitis; but if they are not worrying, why should we?

Letters to the Editor

The record of Britain's trade with Japan

From Mr R. Wilson

Sir,—What Messrs Robins and Clarke say (April 19) about the much-argued invisible trade statistics is true, but it only takes us part of the way. These statistics merely show the total amounts of money passing between Japan and Britain. This is the only kind of statistic available to give us a first indicator, albeit crude, of the balance of payments between the two countries on their current transactions. If it is now complained that part of the gross money received by the UK from Japan has to be sent out to third countries, then two observations suggest themselves.

The first is that the same is true for all gross receipts, whether for commodity trade or invisibles, on both sides. The money which Japan receives for the cars it sells to Britain, for example, must inevitably be earmarked in part for the payment of the various foreign materials—Australian iron ore, Middle East oil, Chinese coal—which have gone into those cars. If these complicated relationships between trade on the one hand and payments on the other are to be disentangled, it would have to be done in some international body or authority like the GATT or IMF or Britain's own Trade Policy Research Centre, perhaps. One might find an agreed way of separating payments for retention from payments for onward remittance. But it is strange to press bilaterally for such an innovation—and on only one unfortunate partner.

The more important comment is that a country can only complain under present ground rules if it is suffering general balance of payments problems (which Britain is not) and even then by proceeding against all surplus partners in the GATT. Britain's balance of payments appears able to stand the remittance of part of these gross invisible receipts from Japan to third countries. Indeed, it is to be inferred that British businesses actually make profits thereby.

What is our purpose in these complaints? Do we want to improve our balance of payments? If so, why are the demands not addressed to other large trading partners in surplus? Is this not discrimination, of the kind which provoked Japan into militarism 50 years ago, and unwisely displayed today when Japan is just beginning to feel her way into a new and more important role in the international capitalist world?

Dick Wilson,
White Lodge,
67 Grove Lane,
Camberwell, SE5.

From Sir Michael Wilford

Sir,—Your correspondents are interesting upon whether Britain's trade with Japan is balanced or unbalanced taking invisibles into account. What would be the result of a comparable study of Japan's trade with the EEC as a whole within which the majority of Japan's invisible payments probably stick, though some obviously go outside, to Switzerland, for example?

(Sir) M. Wilford,
Brook Cottage,
Abbotts Ann,
Andover, Hants.

Employees' interests

From Mr R Instone

Sir, — Among other red herrings deployed in the battle for UDS Group, pride of place must be given to the assertion that the board of a holding company has a direct statutory responsibility for the employees of the entire group.

This is a complete misconception, though much emphasis has been placed upon it by the pro-Bassishaw members of the UDS board. Directors are required by S.80 of the Companies Act 1980 to have regard to the interests of the employees of the company whose directors they are. This is not paternalism, but a managerial duty which is owed to the company itself and to no one else.

Some may call this a pedantic distinction. But directors of subsidiaries have obligations of their own. Efficient management requires that the commercial and legal reality should be recognised—as in most cases of course it is.

Ralph Instone,
7 New Square,
Lincolns Inn, WC2.

Satisfying the customers

From the Chairman,
BAT Stores

Sir,—I must take issue with Mr Pretty (April 19) over his description of BAT Industries' involvement in British food retailing over the past 10 years or so.

When we acquired International Stores in 1972, the major supermarket chains were already firmly in place and that company was a potential victim of the revolution in food retailing, not a predator. Burdened with hundreds of small outlets in out-of-the-way places, it was finding the competition of the larger supermarkets just as difficult as the small independent grocers were.

Thus, the very substantial investment we have made in modernising International—and the other medium and small chains we subsequently acquired—has preserved choice for the consumer, rather than narrowed it. Furthermore, International Stores is now firmly back in profit, which is the best justification I can think of for the policies we have been pursuing.

I very much regret the disappearance of the small Internationals from many town and villages in recent years, just as Mr Pretty clearly regrets the closure of independent grocers of similar size. The sad fact is that the large majority of shoppers prefer the price advantage they enjoy through shopping at the large supermarkets in the cities and larger towns. They have voted not with their feet but with the cars which most families now possess.

It is, however, also true that in many communities the small independent grocer continues to have a profitable niche. His opening hours, product range and services are tailored to the needs of his local customers in a way that large supermarkets cannot match and which earn him a higher margin than they can obtain.

In other words, satisfying the customer's need is — as always — the recipe for success in retailing, large or small.

G. L. Dennis.
112, Station Road,
Edgware, Middx.

Land value taxation

From Mr L. Linehan

Sir,—To replace rates with a local sales tax certainly would, as Mr John C. Hancock (April 18) says, place an additional burden on the lower paid and lead to greatly increased administration costs.

The key issue raised by your correspondent, however, is that of land value taxation, a system acknowledging that all land rightly belongs to all of the people, not to private or state interests. Even a modest level of LVT would bring land prices down and consequently stimulate more economic production. Moreover, LVT would discourage land speculation (usually called "property" speculation) and encourage more positive investment in wealth-producing areas. The distinction between wealth creation and wealth accumulation is unfortunately not properly understood.

All political parties now have an opportunity to promote LVT, initially by substituting it for property rates at the local level, but clearly the Liberal Party has no intention of honouring its own constitution by giving a lead in this respect.

The only ray of hope on the horizon seems to be coming from a senior Labour member of Greater London Council. Now, if the Labour Party, or any other party, were to unite on a land value tax platform there would indeed be a real chance of "breaking the mould" and getting people back to work, but mere tinkering with the engine, high borrowing, bribing the voters with their own and their children's money, will only exacerbate the social divide, perpetuate unnecessary confrontation and solve nothing.

Lawrence Linehan.
17, Ossian Road, N4.

Honouring pension commitments

From Mr J. Francey

Sir,—It was a great joy to read the vital point made by your correspondent Mr Stuart Brickell (April 19) namely that future pension payments will only be honoured by profitable industrial production and not, as I take it, by speculative investment in City funds. This is another point that Governments should consider at a time when our industrial base is being surrendered with indecent haste.

If I may make a personal point relating to pensions, I commenced recently to draw a staff pension to which I had contributed, from a small "middle management" salary, for 25 years. Far from giving me the addition to my state pension which I had expected, I have discovered that all that a nominal staff pension does is to "insulate" you from any help extra to the state pension. People I know who had no staff pension or other form of age insurance are enjoying a higher standard of living than my wife and I. Although we do not grudge these people their comforts, the situation does indicate an anomaly somewhere.

John B. Francey.
59, Aytoun Drive,
Erskine,
Renfrewshire

FINANCIAL TIMES

Friday April 22 1983

GOVERNMENT DEPARTMENTS' SPENDING SPREE THREATENS MONEY SUPPLY AIMS

UK public borrowing £1.7bn over target

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

BRITAIN'S public-sector borrowing amounted to £9.2bn ($14.2bn) in the financial year that ended this month. That was £1.7bn more than estimated by the Treasury when the Conservative Government introduced its budget on March 15 and about £2bn more than many City of London analysts were predicting only a few weeks ago.

The substantial overshoot of the Government's target, disclosed in official figures published yesterday, appears to reflect an end-of-year spending spree by central government departments and local authorities.

The overshoot is embarrassing for the Government, mainly because it has set borrowing targets for the 1983-84 financial year that many analysts think are very tight.

The London Business School said earlier this week that this year's borrowing could easily be breached, and yesterday's figures appear to underline the warning.

The Government will also be anxious in case a high rate of public borrowing should put pressure on its money-supply targets, which were already showing signs of strain in March. It is likely to be especially determined to avoid any upward movement in interest rates if it is considering an early general election.

The borrowing figure was somewhat less than the £9.5bn target announced for the year in March 1982, but the Treasury was confidently predicting by the early autumn last year that actual borrowing would fall below that estimate.

Indeed, Mrs Margaret Thatcher, the Prime Minister, subsequently urged local authorities to spend up to the limit of their budgets. A special allocation of cash for house improvement grants was announced to help this.

The autumn decision by Sir Geoffrey Howe, Chancellor of the Exchequer, to cut the employers' national insurance surcharge by half a percentage point and to give employers some relief in the current year, also reflected a belief that borrowing was running below its target.

Those measures may have contributed to the higher figure announced yesterday.

The main factor, however, appears to be that departments, particularly the Ministry of Defence, made a last-minute effort to spend the full amount of their cash budgets.

That was unexpected, because in 1981-82, the first year in which British public spending was planned in cash rather than volume terms, departments substantially underspent their budgets. Public borrowing in that year turned out to be £2bn below the Government's estimate.

It now seems that departments "got wise" to the new system. If so, the Government might be in trouble, since it has included an allowance of £1.2bn for underspending in the current year and has cut the allowance for contingencies to only £1.5bn, of which £300m has already been spent.

This is much tighter than the budget for 1982-83, which did not include any explicit allowance for underspending and had a contingency reserve of £2.4bn.

The final figures for 1982-83 showed that local authorities made a final sprint in the closing weeks of the year, increasing their borrowing requirements by £400m more than the Treasury was estimating in March. As a result of substantial repayments on short-term debt their borrowing requirement for the whole year was only £300m.

Nationalised industries appear to have followed a similar path, increasing their borrowing requirements by £200m more than expected to a total for the year of £1.7bn.

Officials are still uncertain about the extent to which last-minute spending in 1982-83 merely represents a shift of projects from one financial year to another. If that happened, the borrowing pressure in the current year might be eased.

However, since spending plans are set in cash rather than by particular projects, departments still have plenty of time to find new projects to replace any which have been accelerated from 1983-84 into 1982-83.

BL strike talks fail but sackings put off

BY ARTHUR SMITH IN BIRMINGHAM

BRITISH LEYLAND (BL) unions and management appeared to be pulling back from the brink last night in spite of the collapse of national negotiations to solve the three-week old strike at Cowley, Oxford.

The state-owned car company, in a move which postpones the immediate crisis, indicated that no decision would be taken on dismissing employees until it was known how many workers had reported back by next Monday.

The dispute erupted following management's attempt to do away with three minutes' "washing up" time at the end of each shift.

The trade unions will put their own "peace formula" to a mass meeting of the 5,000 strikers today. But the recommendation which the workers are expected to endorse is capable of many different interpretations – a move which opens the door for further negotiations.

Mr Moss Evans, general secretary of the Transport and General Workers Union – one of the two main unions involved – said last night that immediately the result of the workers' vote was known union leaders would be in touch with the company to seek further meetings.

Clearly there is the prospect of extended negotiations throughout the weekend. One possibility is that the Advisory Conciliation and Arbitration Service (Acas) might intervene.

Crucial to the negotiating strength of both sides will be the mood of today's mass meeting. BL must hope that as the dispute drags on, loss of earnings and its tough management line will increase the number of workers prepared to cross picket lines and report for duty.

However, there is no sign yet of support falling away – a factor that must have influenced Mr Evans, and Mr Terry Duffy, president of the engineering union, in their 17 hours of talks with management which broke down early yesterday.

Austin Rover made one slight concession in the negotiations, offering to postpone by a further two weeks until May 30 the proposed abolition of the "washing up time."

The company pointed out that from May 16 the Cowley assembly plant would be granted audited plant status – a move which lifts the ceiling on bonus earnings from £18.75 a week to £30 ($46.50). Plants are deemed to have been audited once the time-and-motion men established manning levels and work practices which are acceptable according to international standards of efficiency.

The trade union side, rejecting the company proposals, put forward its own formula late in negotiations.

Militancy returns, Page 18

Dunlop omits payout after £7m loss

BY CHARLES BATCHELOR IN LONDON

DUNLOP, the hard-pressed UK tyre manufacturer, made a pre-tax loss of £7m last year despite its far-reaching retrenchment programme. It will pay no final dividend for the first time for more than a decade.

The stock market had been expecting the company to make a loss in 1982, compared with 1981 when it broke even, but the shares fell 3p to 52p yesterday on the news. This gives Dunlop a market valuation of £74.8m.

Sir Campbell Fraser, the chairman, described the group's major problem as "tyres in Europe." Dunlop lost about £26m in this area, half of it in Britain.

Turnover increased by £69m to £1.52m, an increase of 4.5 per cent, but when changes in the accounting treatment of companies in France, India and Malaysia are taken into account, the sales rise is reduced to 3 per cent.

Dunlop's operating profit fell by £11m to £41m, of which only £12m profit was made in the second half of 1982, reflecting a marked deterioration from the first half.

The loss attributable to shareholders rose by £11m to £52m. But after taking into account £28m of extraordinary items – the result of rationalisation costs in Europe – the attributable loss was nearly double the 1981 figure at £80m.

Shareholders will receive no payment beyond the 2p interim dividend already distributed.

Dunlop's performance continued to worsen in the opening months of 1983. Further radical action will have to be taken to improve its European tyre operations, the company said.

"A strengthening performance in Germany was offset by continuing difficulties in France, the UK and Ireland," it said. "On the other hand, profits from other products in the UK are improving and a number of overseas subsidiaries, notably in the U.S., are performing well."

Dunlop shed 1,000 tyre jobs in the UK last year, leaving 4,750. The total UK workforce dropped 4,000 to 25,000. However, there is still 15 per cent overcapacity in Europe for car tyres.

Dunlop is still awaiting approval from the Malaysian foreign investment committee for the sale of a 25.5 per cent stake in Dunlop Malaysian Industries to a local investment group, Pegi Malaysia. This sale would produce an extraordinary profit of about £24m.

Sir Campbell repeated the company's earlier statement that it had no reason to believe that Pegi, which already holds 26 per cent of the parent Dunlop group, was going to make a bid for the rest.

Israel will keep Golan says Begin

By David Lennon in Tel Aviv

MR Menahem Begin, Israel's Prime Minister, has forcefully declared that his country will never give up the Golan Heights, captured from Syria in 1967. This was a direct rebuff to U.S. President Ronald Reagan, who last week said that he hoped all territory captured by Israel would be given up.

Israel effectively annexed the Golan in December 1981 when Israeli law was extended to the Heights. "The Golan Heights are under Israeli law and will continue to be so always. Nothing can change that," Mr Begin told cheering party supporters, in Tel Aviv.

In an attempt to win support for his peace plan, President Reagan sent a message to President Hafez al-Assad of Syria last week, expressing the hope that the U.S. peace initiative could be expanded so that all territory occupied by Israel would be given up.

It is generally believed that one reason for the failure of the American effort to bring King Hussein of Jordan into the peace process was the objections of the Syrians. Damascus felt left out because Mr Reagan's initiative in September 1981 had not made any reference to the fate of the Golan.

Last week's message to President Assad, clearly designed to rectify that, angered the Israelis. They were not mollified by assurances from Washington that the President's letter merely reiterated longstanding American policy.

Despite its likely negative impact on relations with Washington, Mr Begin decided to issue his forthright statement over the Golan to make clear to everyone that Israel would never surrender the Golan, even in exchange for a peace treaty.

Meanwhile, there is growing concern in Israel that Syria may be preparing for limited action against the Israeli forces in Lebanon. Prof Moshe Arens, the Defence Minister, told Knesset members that "certain military preparations are under way in Syria, but it is not clear whether they are offensive or defensive in nature."

The Syrian military action, he said, might be in preparation for war or it might reflect Syrian apprehensions of an Israeli military operation.

Société Générale de Belgique seeks capital

BY PAUL CHEESERIGHT IN BRUSSELS

SOCIÉTÉ GÉNÉRALE de Belgique (SGB), the financial holding company whose interests stretch throughout Belgian industry, is to seek fresh capital through a new issue of ordinary shares.

It thus joins a growing number of major international financial institutions seeking to take advantage of strengthening equity prices on international markets by raising fresh funds.

The group yesterday disclosed net profits for 1982 of BFr 2.29bn ($46.7m) confirming the recovery it originally announced at the end of March.

In the previous year there were losses of BFr 2.74bn caused mainly by two factors: the consolidation in the accounts of Union Minière, the non-ferrous mining company hurt by recession, and its Sybetra unit's difficulties over a fertiliser plant construction contract in Iraq.

SGB is maintaining its dividend at BFr 90 but this time the payment is covered by earnings; in 1981 the funds were drawn from reserves.

The offer of new shares will come after SGB has itself subscribed to capital increases planned by a number of group companies. The annual report, available today, does not specify how many shares the group will offer or how much new capital it wants to raise.

SGB says only that it will approach the market "with a view to raising a substantial though not disproportionate amount in its own right."

The decision to raise fresh capital has been pending since the beginning of last year. Although SGB does not say as much, the capital raising appears to be related to the internal reorganisation of the group and what it calls "streamlining the portfolio."

Last year the group started to change the emphasis of its financial structure and to expand its resources. Recently it has sought to consolidate its borrowings with a BFr 3bn medium-term loan.

The group, despite the return to profits, is still suffering from the effects of the recession. It is seeking to restructure its interests in the non-ferrous metals sector where the linchpin of its activities is Union Minière, now wholly owned.

SGB has failed so far, the annual report makes clear, to find a partner either to take an equity share in the mining company or to take part in a pooling of resources and a joint marketing drive.

On the positive side, however, the accounts show a marked reduction in the provision made for losses: to BFr 396.4m in 1982 from BFr 1.39bn in 1981.

Alcoa reports $14m loss in first quarter

BY WILLIAM HALL IN NEW YORK

ALUMINUM Company of America (Alcoa), the world's biggest aluminium producer, has reported a first-quarter loss of $14.3m or 19 cents a common share, which compares with a net income of $43.8m or 57 cents a share in the comparable quarter of 1982.

The latest quarter's results are cushioned by $34m of inventory profits in the first quarter.

In common with Reynolds Metals, another big aluminium producer which reported a first-quarter loss last week, Alcoa says that it believes the worst is over for its industry. Mr Charles Parry, who took over as chairman and chief executive at the beginning of the month, says the latest figures are an improvement on the final quarter of last year and reflect a 6 per cent increase in shipments.

"Order receipts in the U.S. were up substantially in the first quarter, part of the increase is attributable to inventory replenishment by our customers," says Mr Parry.

Although world ingot prices and prices of some U.S. mill products have been increasing, the company says there has been no price improvement on rigid container sheet due to strong imports and domestic competition.

Alcoa expects a "gradual but steady recovery in demand," in most aluminiuml markets during the banlance of 1983.

An increase in U.S. housing starts and car production should lead to an improvement in demand for common alloy business, but the company does not see any recovery in demand for its hard alloy products because of the continued low production rates of commercial aircraft.

Group sales in the first quarter are marginally down at $1.1bn but shipments of aluminium products are higher at 432,000 tonnes, compared with 397,000 tonnes in the first quarter of 1982.

Mr Parry told Alcoa's annual meeting in Pittsbourgh yesterday that the beginning of bargaining on a new labour contract next month was the most important item on Alcoa's agenda currently. He said that it was vital that the unions argeed to a "significant moderation" in the rate of growth of employment costs. The long-term survival of the U.S. aluminium industry was at stake, he said.

Turkey signs $2.5bn trade deal with Iran

By Metin Munir in Istanbul

TURKEY and Iran yesterday signed a trade protocol under which the neighbours plan to increase their trade volume to $2.5bn in 1983, a rise of 25 per cent over the previous year.

The agreement was signed in Ankara by Mr Kemal Canturk, the Turkish Minister of Trade, and Mr Behzad Nabari, the visiting Iranian Minister of Industry.

Under the agreement, Iran, which last year replaced West Germany as the biggest recipient of Turkish exports, will increase its purchases from Turkey by nearly 70 per cent to $1.3bn, Mr Canturk said.

Turkey will sell Iran wheat, barley, meat, foodstuffs, textiles, chemicals, iron and steel, and other manufactured goods. The border posts between the two countries will remain open round the clock to facilitate the increased flow of traffic. Iran will give priority to Turkish ships and hire 2,000 lorries from Turkey to use to carry goods at home.

Turkish companies will be given *priority in contracts to manage*, maintain and provide spare parts for Iranian factories. Turkish contractors expect to gain access to the Iranian construction market.

BIS president warns on loans

Continued from Page 1

A number of banks, particularly small U.S. regionals and smaller French, West German and Swiss banks, have cut back on their interbank lines to Latin American debtor countries. This is because the interbank money market is the easiest place for banks to cut back their exposure to problem debtors, whereas regular bank loans are longer-term multilateral deals and more difficult to pull away from.

Bankers said yesterday that Dr Leutwiler was troubled by the problem of central bank responsibility in the interbank area should the commercial interbank lines prove difficult to recover. He therefore opposed central bank pressure on the banking community.

Nigeria starts talks with IMF

Continued from Page 1

result of the international oil glut. Foreign exchange reserves have fallen from a level of more than $9bn in 1981 to barely $1bn today.

Further contacts between senior Nigerian officials and the IMF are likely to take place in Washington next week, coinciding with the meeting of the World Bank's development committee. Then a further visit by an IMF team to Lagos to discuss firm "policy options" would be necessary before any letter of intent could be signed.

A leading Nigerian banker said yesterday that he understood the Fund visit had been made on the clear understanding that devaluation of the naira would not be discussed.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	21	70	Dubrovnik	S	26	79	Malaga	C	16	61	Salzburg	C	17	63
Akrotiri	C	18	64	Faro	F	18	64	Malta	S	19	66	Seoul	C	18	64
Algiers	C	18	64	Florence	C	22	72	Manila	S	37	99	Singapore	C	35	95
Amsterdam	R	10	50	Frankfurt	C	18	64	Miami	C	29	84	Stockholm	S	13	55
Athens	S	20	68	Funchal	F	18	64	Milan	C	15	59	Strasbourg	S	21	70
Bahrain	S	29	84	Geneva	C	15	59	Moscow	R	16	61	Sydney	F	12	54
Bangkok	S	35	95	Gibraltar	F	16	61	Munich	F	19	66	Taipei	C	27	81
Barcelona	D	13	55	Guernsey	S	10	50	Nairobi	F	27	81	Tangier	R	16	61
Beirut	S	21	70	Helsinki	C	10	50	Naples	F	22	72	Tehran	—	—	—
Belgrade	S	26	79	H. Kong	S	26	79	New Delhi	S	30	86	Tel Aviv	S	28	82
Berlin	S	20	68	Innsbruck	F	21	70	New York	C	7	45	Tenerife	F	20	68
Biarritz	F	15	59	Inverness	F	8	46	Nice	C	19	66	Tokyo	C	17	63
Blackpool	C	7	45	Istanbul	S	14	57	Oporto	R	11	52	Toronto	C	6	43
Bordeaux	C	11	52	Jersey	S	11	52	Oslo	C	6	43	Tunis	S	23	73
Brussels	R	10	50	Jo'burg	S	23	73	Paris	R	10	50	Valencia	S	18	64
Budapest	S	25	77	Las Palmas	S	20	68	Prague	S	22	72	Venice	S	19	66
B. Aires	C	18	64	Lima	S	29	84	Reykjavik	S	-2	28	Vienna	S	24	75
Cairo	S	26	79	Lisbon	F	15	59	Rio de J'o	C	35	95	Warsaw	S	20	68
Cape Town	C	20	68	Locarno	R	10	50	Rome	F	20	68	Zurich	C	20	68
Caracas	C	27	81	London	F	12	54								
Casablanca	F	17	63	Los Angeles	R	19	66								
Copenhagen	R	9	48	Luxembourg	R	14	57								
Corfu	S	24	75	Madrid	C	12	54								
Dublin	F	10	50	Majorca	C	14	57								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

THE LEX COLUMN

No spring in the Dunlop racket

Dunlop's roadholding ability seems to have been improved not a jot by five years of brutal streamlining. The hairpin bend encountered by its UK and European tyre operations halfway through 1982 has seen the whole company skew alarmingly into pre-tax losses of £7m.

But with sales up marginally to just over £1½bn, there is still plenty of mileage being clocked up.

After a subdued but not unhopeful first half, the tyre businesses have lost £10m in the UK and £9M in the rest of Europe.

During the second six months exports to the EEC, particularly from Spain, have snatched what little volume growth the market has offered, while fiercely competitive pricing has reduced margins – especially in France – and cast further gloom over a market racked by excess capacity.

Profitable non-European operations have again concealed much of the damage at an operating level, with useful gains reported by the U.S. subisidiary. But £56m of financing charges better reflect the cost of being a European tyre producer – and by fully consolidating its French borrowings while deconsolidating Dunlop India, the group has picked up net additional debt of £34m.

With interest costs piling up, Dunlop has sorely missed receiving the £24m of cash stuck in the pipeline from its latest Malaysian asset disposal – exactly the kind of timing mishap which Dunlop's cash flow can now ill afford.

Another £23m of rationalisation costs plus the usual stiff tax charge and £64m of capital investment has probably left a net outflow slightly in excess of 1981's £48m, after taking account of £23m received in 1982 out of the deferred proceeds of the earlier Dunlop Estates sale.

Given the cash deficit and an £83m retained loss for 1982 Dunlop has not surprisingly, kept its assets under the property surveyor's microscope: a £55m revaluation has been a crucial help in restraining the reported debt: equity ratio to 94 per cent.

As things stand, Dunlop must regard the recent accumulation of shares by Malaysian interests as a source of some comfort, if not of wonder, rather than as the hostile presence which it might have seemed only a few years ago.

Woolworth Holdings

After the 22p jump in Woolworth Holdings' share price yesterday investors who backed the Paternoster buyout last November have seen the shares rise from a subscription price of 150p to 277p. This is exceptionally good going for a company whose first term report may be promising, but is certainly inconclusive. The big jump in profits – up 24 per cent at the trading level for the year to January – was already underway last summer from the very low base of Woolworth's awful first half, and no clear strategy has yet emerged to show how Woolworth intends to keep momentum going in a less favourable climate for consumer spending than the present one.

More than half of the trading profit increase was due to the newly established DIY activities. Volume in the traditional Woolworth business moved up only marginally, with most of the rest of the improvement coming from some sensible pruning and better stock controls. This was sufficient to keep the company's head above water on the basis of the new financial structure – but only just. With Woolworth's debt now standing at a mountainous £303.6m, the £40.7m interest charge left pre-tax profits at a mere £4.3m.

The figures look better after taking in £16.2m of property profits. Even so, they still leave Woolworth on a fancy – or fanciful – rating. Given some more property sales, which will be essential anyway, to trim borrowings, pre-tax profits could reach £28m this year. But that would leave it on a fully taxed multiple of 14, and without the property the p/e shoots into the exclusive M and S zone.

Chemicals

Yesterday it was the turn of the chemical sector to move firmly into the van of the rising stock market. The confident tone emerging from ICI's AGM was enough to push the company's share price up 32p to an all-time high of 468p. Among the other stocks in the sector to register highs were Laporte, up 6p to 298p on reporting a healthy profits increase, and BOC, up 18p to 230p.

ICI's first quarter has seen the benefit of better volumes, which may have been enough to push pre-tax profits over the £100m mark. And the omens look promising for the current quarter, seasonally the strongest of the year, since some of the price rises that seem to have been made to stick should be reflected in a boost to margins.

Laporte's 36 per cent increase in pre-tax profits to £30.7m was achieved on flat volume in last year's difficult climate. The improvement reflects the upgrading in the company's production facilities and its steady shift away from the cyclical areas of the chemical market. As such, Laporte shows in microcosm what has been happening in the whole industry. Meanwhile, its shares offer a yield of 4.2 per cent – a long way from the days when they were an income stock.

PSBR

The Government's exhortation to local authorities to spend, spend, spend has been taken up in earnest. Any notion that the heavy overshoot in the March CGBR figure could be explained away by a switch in the profile of local-authority borrowing was rudely dashed by yesterday's PSBR statistics for the final quarter of fiscal 1982-83.

The March overshoot of £1.7bn – as compared with the Red Book Estimate – gives no guide to the underlying increase in spending. As much as half the apparent excess may represent the carry forward of 1983–84 outlays, particularly within central government, while the spurt in local authority spending is unlikely to be repeated during a year in which the PSBR figure of £8.2bn is already looking tight.

Yet these are not figures to delight a gilt-edged market increasingly concerned by the momentum of the monetary aggregates. Part of the overspend will be immediately offset by a repayment of bank debt and the authorities may recently have been selling much more stock than is apparent from their official operations. But, to judge from the recent pronouncements of ICI and others, business loan demand could be taking off at a time when the pattern of public spending is, to say the least, inscrutable and when, for this stage of the economic cycle, bank lending is already on the high side.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, A.V. Hare, R.A.F. McClean, M.C. Gorman, B.A. Lawrence, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C. E. P. Smith, Frankfurt/Main.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday April 22 1983

Agfa-Gevaert group consolidates role in high technology

BY PAUL CHEESERIGHT IN BRUSSELS

THE SHARP pace of sales growth at Agfa-Gevaert, the international photographic, magnetic tapes, graphics and office systems group, will slow up this year, Mr Andre Leysen, the president, said yesterday.

Growth will be 4 per cent this year after a 34 per cent increase in 1982 to BFr 110.5bn ($2.25bn). These sales produced record pre-tax profits last year of BFr 5.48bn against BFr 529m in 1981.

That result signalled that Agfa had recovered from the bad conditions of 1980 and 1981 and the losses of BFr 1.3bn in 1979.

During this period the German-Belgian group, now a wholly owned subsidiary of Bayer, has swung away from the amateur film products market and established a growing role in high-technology areas with a greater added value.

The 1982 results show that the purchase of a 69 per cent stake in Compugraphic Corporation of Massachusetts was decisive.

Not only is the U.S. now the single biggest market for the group, but, without the Compugraphic contribution, turnover last year in Belgian-franc terms would have increased at only just over half the rate it actually did.

Compugraphic takes Agfa into electronics with increasing emphasis, providing typesetter and also front-end systems for electronic printers which Agfa has already developed.

The acquisition symbolises Agfa's concentration of industrial products, breaking earlier traditional reliance on the amateur photographic market and moving in the opposite direction to Kodak, the dominant international force in the amateur photographic market. Magnetic tape sales now represent less than 10 per cent of turnover.

Group executives at the Belgian headquarters near Antwerp expect this configuration to remain roughly the same for the next few years.

Indeed, the group will shortly start a new drive to strengthen its position in the consumer products area.

However, this will not include camera manufacture. The group plant at Munich is being closed and terms for redundancies were recently agreed with the unions. But the closing-down costs will still be a charge on the 1983 accounts of BFr 5bn, Mr Leysen said.

Cameras will still be available carrying the Agfa name, but they will be produced for the group under contract, probably in Singapore, and to Agfa specifications. The group already follows that technique with small office copiers made in Japan.

While this diversity emphasises the international character of the group, the base remains in Europe. But, Mr Leysen observed, "We cannot consider Europe as the true home market, as within the EEC there remain all kinds of artificial frontiers."

Mr Leysen was referring to factors such as currency fluctuations. These enable customers in one country to take advantage of shifts in value, buy Agfa products and then sell them cheaply in another EEC country, thus undermining the group's price structure.

Reflecting a multinational view of the EEC, Mr Leysen argued that the Common Market is not a common market. With a look at Fuji in Japan and Kodak in the U.S., he asked: "How can European companies go on defending their position on such a split-up market while faced with competitors who can base their operations on a big, homogeneous home market?"

The share of countries outside Belgium and Germany in Agfa's turnover is now more than 78 per cent, and 97 per cent of the group's Belgian output is exported. But difficulties of distribution in the EEC could add about 10 per cent to Agfa's selling prices.

Earnings setback for Dow Chemical

By Richard Lambert in New York

DOW CHEMICAL suffered a sharp decline in first quarter profits this year, but says it is "still confident the second half of 1983 will demonstrate dramatic improvement."

Sales in the first quarter fell from $2.8bn to $2.5bn and net income was down from $154m to $89m. This still represents a substantial improvement on the $13m earned in the final quarter of 1982.

"We are on the trail of economic recovery," commented Mr Paul Oreffice, Dow's president and chief executive. The chemical industry traditionally lagged the general economic cycle by several months, he added, but "we are encouraged by the steadily increasing daily sales rate of our principal products each month."

Dow's European business had registered a healthy gain in the period, Mr Oreffice said, and its German operations set an all-time sales record for March.

The company said the general pricing environment was improving, with price gains on several key products such as ethylene dichloride, vinyl chloride monomer and low density polyethylene. The trend towards higher prices was expected to continue.

Total debt increased by $312m in the quarter, but net interest expenses were down by $27m. The first quarter profit included gains of $40m on foreign currency transactions, an increase of $33m on the 1982 figure. Net income also included $15m in extraordinary earnings arising from the redemption of certain Dow bonds. The comparable period of 1982 included a $57m extraordinary gain on a stock-for-debt swap.

Earnings per share in the latest period fell from 50 cents to 28 cents before extraordinary items.

U.S. BANKING INDUSTRY

A resilient, yet wary, performer

BY WILLIAM HALL IN NEW YORK

GIVEN the well-publicised problems in international banking and the equally serious problems in domestic lending, the first-quarter performance of the majority of U.S. banks to have reported so far looks surprisingly resilient, which will be reassuring for those investors who have been piling into U.S. bank stocks in recent weeks.

Bank profit growth has not been as healthy as it was in the opening quarter of 1982, but it is, nonetheless, a big improvement on the final quarter of last year. Comparisons are slightly complicated since U.S. banks have changed their reporting format and are now only reporting net income. The old item "income before securities transactions" has been dropped and gains and losses on this side of the business, which in a few cases in the latest quarter were important, are now lumped into "non-interest operating income."

Bearing that caveat in mind, the performance of the majority of the lending U.S. banks in the first quarter still looks good. Citicorp, the market leader, increased its net income by 18 per cent to $228m and increased its first-quarter dividend by 9 per cent to 47 cents a share. This follows a 10 per cent increase in the opening quarter of 1982.

Meanwhile, rival New York money centre banks J. P. Morgan and Manufacturers Hanover increased their net income by around a third. The performance of some of the regional banks was even more impressive.

Of the top dozen banks to report so far, only Continental Illinois, Chase Manhattan and Crocker have reported lower earnings; BankAmerica, after adjusting for non-recurring items in the previous year, virtually stood still in the first quarter of 1983.

Based on the data of the top dozen U.S. banks, the following figures give some idea of how the U.S. banking industry performed in the opening months of the current year.

● Net income for the 12 bank holding companies rose by 9 per cent to just under $1bn. Lower funding costs as a result of lower interest rates, plus improved margins, were the main factors behind the improvement. Total assets of the group rose by around 5 per cent;

● Loan loss provisions were some four-fifths up on a year ago at just over $700m, reflecting the deterioration in asset quality on both international lending and also domestic lending;

● The total size of non-performing loans of the 12 banking groups rose by around $7bn to just over $15bn. For the big international banks, the bulk of the increase was due to Mexican and other Latin American private sector borrowers while the West Coast banks in particular suffered from an increase in real estate loans which have turned sour, and banks in the South have been hit by a rise in the number of energy-related loans which have moved onto a non-performing basis.

Net interest revenues, which typically account for more than two-thirds of U.S. bank revenues, were fairly firm in the first quarter. Higher loan volumes helped, but in most cases notably higher spreads (the difference between the cost of funds and the yield on a loan) were equally important.

J. P. Morgan, for instance, was able to boost its interest rate spread by nearly a quarter, or 60 basis points, in the first three months of 1983 compared with the same period of last year. Meanwhile, non-interest revenues such as fees and commissions were also substantially higher in many cases. Morgan earned $36.3m from foreign exchange dealing in the first quarter against a loss of $2.5m in 1982 and Citicorp nearly doubled its foreign exchange earnings to just under $100m in the first quarter.

At the same time the banks have been keeping a tight hold on expenses. Bank America, which is restructuring its Californian branch system, was able to trim its payroll by 2,300 people in the first quarter.

Although the overall performance of U.S. banks in the first quarter looked reasonable, there was considerable variation between banks. Among the big banks, Continental Illinois is still battling with its inheritance from last year's Penn Square debacle – the first real sign of the mounting problems in energy lending which are beginning to haunt many U.S. banks.

Continental Illinois put aside $100m in the first quarter, the highest provision of any bank apart from Citibank, and revealed that of the $2bn non-performing loans in its portfolio, nearly a third ($605m) reflected loans bought from Penn Square.

Seafirst, the other big bank hit by the collapse of Penn Square, is also still suffering the after-effects. First-quarter results show another substantial loss.

While the scars of Penn Square are still visible at Seafirst, Continental Illinois and to a lesser extent Chase Manhattan, bank analysts believe that the problems associated with energy-lending are only just beginning to surface. The Dallas-based Interfirst Corp., the largest banking group in the fast-growing Texas market and the fifteenth biggest in the U.S., reported a 25 per cent fall in first-quarter net income

The West Coast is also undergoing significant changes which are hitting the earnings of several banks.

BankAmerica's net interest margin grew more modestly than those of the East Coast banks in the first quarter – a factor it blames on the higher cost deposit structure which is following the introduction of the new high-yielding current accounts (money market type accounts).

Crocker National, which is majority-owned by Midland Bank, has been even more seriously affected by the developments, plus the problems associated with real estate lending. Despite the $500m extra capital it received from Midland, its earnings fell in the first quarter and its return on assets is the second lowest after Continental Illinois of the leading banks. Over half of its $724m non-performing assets is related to real estate.

LEADING U.S. BANKS – FIRST QUARTER 1983 PERFORMANCE

	Assets March $bn	Annual growth %	Net inc. $m	Annual growth %	Loan loss prov. $m	Annual growth %	Non-performing loan $m	Annual growth %
Citicorp	128	9.0	228.0	18	136	51	1900	83
BankAmerica	120	1.0	120.3	1.4*	96	57	2978	na
Chase Manhattan	78	3.3	106.1	(8.0)	70	27	1900	115
Man. Hanover	60	4.7	82.0	32.0	54	111	875	21
J. P. Morgan	59	7.5	117.8	37.0	70	312	700	81
Chemical	46	3.6	71.5	16.0	29	84	796	35
Cont. Illinois	41	(11.8)	31.2	(53.2)	100	186	2000	137
First Interstate	40	7.1	58.2	5.1	43	52	1148	105
Bankers Trust	40	6.2	61.1	15.0	15	na	476	13
Security Pacific	37	10.0	61.2	16.0	38	94	855	144
First Chicago	35	6.0	43.5	31.0	35	56	876	53
Crocker	26	17.8	16.1	(10.5)	15	55	724	76

* Adjusted for non-recurring items in 1982, na = not available, figures in brackets = loss. Source: Compiled from individual bank data

Schlumberger profit down 27% at $259m

BY WILLIAM HALL IN NEW YORK

THE sharp downturn in the world oil drilling market has hit the earnings of Schlumberger, the leading U.S. "well logging" company. Net income in the first quarter of 1983 is 27 per cent down at $259m.

The fall in the group's profits primarily reflects the drop in oil exploration activity since the second quarter of last year. The downturn has been most severe in North America, where the number of drilling rigs operating has continued to fall to the lowest level since August 1976.

One of Schlumberger's main activities is known as "wireline" services, which involves dropping a cable, plus instruments, down oil wells to transmit geological data to the surface which is then plotted on a graph or "log."

North American wireline revenues fell 34 per cent in the first quarter and outside North America – Schlumberger operates in 92 countries around the world – revenues were 2 per cent lower.

The overall revenues of the oilfield service operations fell 15 per cent to $912m and revenues of the measurement control and components operation fell 5 per cent to $522m.

Group earnings were hit by a $28m after-tax charge reflecting the cost of closing the San Jose manufacturing facility of Fairchild and provision for a loss on the disposal of Accutest.

Losses doubled at Bloedel

By Our Financial Staff

NET operating losses at MacMillan Bloedel, Canada's largest forest products company, more than doubled in the first quarter from C$10.4m to C$23m (U.S.$18.7m).

The latest period excludes special gains of C$25.4m on the sales of an office

World Airways posts $58.5m loss for 1982

By Our New York Staff

WORLD AIRWAYS is attempting for the second time in a year to restructure its balance sheet following heavy losses in the final quarter of 1982. Its 1982 financial statements have again been qualified by the auditors with respect to the company's ability to continue as a going concern.

The airline, which is based in Oakland, California, lost $23.7m in the final quarter of last year, up from $11.8m in the same period of 1981. Losses for the year rose from $20.2m to $58.5m.

As a result of this setback, World has not made certain scheduled payments to its lenders, and is not in compliance with other provisions of its debt agreements and capital leases. All interest and principal payments have been met to date on the company's publicly issued debt.

Apple Computers boosts income 73% in quarter

BY OUR FINANCIAL STAFF

APPLE COMPUTER, the U.S. personal and business computer manufacturer, lifted its second quarter earnings by 73 per cent to $23.9m, or 40 cents per share from $13.8m (24 cents per share) in the corresponding period of the previous year.

Sales soared from $131m to $228m on the back of continuing strong worldwide demand for Apple products. And turnover received a further boost from the January introduction of the new Apple 11E personal computer, though the better than expected demand outstripped production, causing temporary shortages at the retail level.

Mr A.C. Markkula, vice chairman, said the company had stepped up production of the Apple 11E at its U.S. and European plants in order to meet "growing market requirements." He added that the configuration of the 256X Apple 111 had been standardised and prices of the system had been cut following lower component costs and improved manufacturing efficiency.

Apple is to introduce its new personal computer codenamed Macintosh this winter.

It is expected to be Apple's answer to IBM's personal computer, a $2,000 to $3,000 machine aimed at a broad range of home, business and educational users. First users of the Macintosh are expected to be students at U.S. universities, which will buy the computers at substantial discounts. Macintosh is expected to become generally available by next spring.

Like the recently introduced Lisa, Macintosh will have a mouse controller (a form of remote control.) and integrated software which allows the user to switch easily from one application to another. It is a 16-bit computer with 64K bytes of usable internal memory. In its basic configuration it will come with one built-in floppy disk drive and a video display with a separate keyboard.

If the Macintosh is a success, it could become Apple's high volume product. Industry analysts speculate that it will replace the Apple III as Apple's small business machine. The price of Apple II E, now selling for just under $2,000, is expected to be significantly reduced to make it more attractive for home and school use. The company also has a $500 computer in development.

Details of the Macintosh were leaked in the U.S. this week when Drexel University in Philadelphia announced that it had signed an agreement with Apple to purchase 3,000 units, most of which are due to be delivered by December. The university intends to require all new students to buy one of the computers at a discounted price of $1,000.

"We will be buying several thousand more in years to come," said Dr Bernard Sagik, the university vice-president for academic affairs. "We chose the Apple machine because it offers the most attractive user access." The Apple computers will come complete with built in software,

Norsk Data to float new issue in U.S.

By Fay Gjester in Oslo

NORSK DATA, the fast growing Norwegian mini-computer company, has sought approval from the Securities and Exchange Commission to float a new issue on the U.S. market. The issue will total at least 1.5m non-voting B shares and possibly up to 2.2m if enough interest is shown by the market.

The issue has been underwritten by a consortium headed by Morgan Stanley & Co., New York.

Norsk Data's Norwegian shares, with a par value of NKr 20 have recently been traded at around NKr 240 on the Oslo stock exchange.

Metzler bank earnings static

By Stewart Fleming in Frankfurt

METZLER, the Frankfurt merchant bank, has reported that it was able to maintain earnings at the high level reached in 1981.

The bank, which reported total assets of DM 691m ($283m) is active in the merchant banking business and earns around two thirds of its profits from providing banking services.

The bank said that securities business was particularly profitable but that margins in lending were virtually unchanged.

The bank said it is seeking to expand its operations in the area of corporate financial advice.

Solvay returns to black

SOLVAY, the Belgian chemicals group, has clawed its way out of the red for 1982 and is to raise its dividend by one-third.

After-tax profits of BFr 2.6bn ($53m), compare with a net loss in 1981 of BFr 752m. The performance has allowed the dividend to go up to BFr 200 a share from the BFr 150 paid in 1981.

The latest profits still leave Solvay a long way short of its peak earnings performance.

Fokker needs economic upturn to capitalise on fresh confidence

BY WALTER ELLIS IN AMSTERDAM

A RE-BIRTH of optimism has characterised prospects so far this year at Fokker, the Dutch aircraft maker. Last year was one to forget. Cancelled orders, bulging stocks of unsold aircraft and a net loss of Fl 10.2m ($3.7m) marked out 1982 as a low point in the company's fortunes. Fokker seemed to have run out of ideas as well as cash, and closed a dismal 12 months with the announcement of 1,400 redundancies.

Now there is a stirring in the undergrowth and confidence is returning. The number of workers to be dismissed has been reset at 1,150 and there is talk of the development of an aircraft for the 1990s and beyond. Those old, but unageing workhorses, the F27 and the F28, have been brushed down and re-shod for new markets.

The F-16 assembly line, turning out U.S.-designed fighters for the Dutch and Norwegian airforces, is going well and there is even the chance of a repair and maintenance contract from the U.S. airforce for its own F-16s in Europe.

Fokker has not been so rash as to forecast any return to profit this year. It hopes, however, to break even in 1984 and is confident that it will still be around in the 21st century selling products developed from its own resources.

The company's 1982 results, published last month, show a 4 per cent increase in turnover to Fl 1.35bn. The operating result was Fl 16.8m—the same as in 1981—and there were improvements in each of the various aircraft programmes. What went wrong was the year's interest charges, which surged by 250 per cent, to Fl 27m.

Customers, quite simply, were unable to honour their contracts. Some even cancelled at the last moment, leaving hangars crowded with finished aircraft and cash inventories inflated by assets, the value of which was uncertain.

Another major loss charged to the 1982 accounts relates to the redundancies scheme. A Fl 35m provision was written in to cover costs and wage supplements involved in the slim-down, and the consequence was a pre-tax loss of Fl 16.4m.

As a result of the events of 1982, Fokker's total assets rose from the 1981 total of Fl 945m to Fl 1.19bn. Much of the increase was, however, accounted for by unsold aircraft and, because of the extent of the net loss, no dividend was paid.

That, then, was the position facing management and workers on January 1 this year. Setting things right was bound to prove difficult and, indeed, Fokker has not sought to rush ahead with new plans and ideas.

The alchemy of turning lead into gold simply does not function in the world aviation market at the moment, and it was agreed instead to spruce up existing programmes, streamline and pacify the workforce, and look ahead in a realistic fashion to a new project for the 1990s.

Two events may be seen in restrospect as marking the turning point: an order from Garuda, the Indonesian state airline, for ten F28s, and a guarantee by the Government last November against bank loans of Fl 60m. The former, though backed by the re-purchase from Garuda of older aircraft, kept the production lines going at a vital time while the latter—though not so far taken up—demonstrated the Government's confidence in the company.

Cancelled orders—or retarded sales, as the company prefers to think of them—did not, in fact, mean that Fokker failed to sell any aircraft last year. A total of twelve F27s was sold, compared with 16 in 1981, and twenty-two F28s (against 13), 10 of them to Garuda. The total number of F27s sold to date stands at 752, to 160 operators in 61 countries, while 206 F28s have been delivered to 47 operators in 32 countries.

The problem last year was that up to the time of the Garuda placement, more were being stockpiled than were being sold. That situation has now been transformed, and there are firm indications of a number of new orders for both aircraft on the horizon.

Fokker is unwilling to talk about potential orders until they are converted into deliveries. Even so, the mood is decidedly less pessimistic than six months ago. For a start, company salesmen have won what they see as an important victory over the British Aerospace BAE-146 in the Australian market. East-West Airlines of Australia recently contracted to buy three F28s of the new Type 4000, the first of which has been delivered from stock.

The contract was won against intense competition from British Aerospace, which needs to sell at least 300 146s if it is to recoup its development costs. Fokker has been extremely worried in recent months about the new British aircraft. The two companies have been bombarding potential customers with rival claims about reliability and economy. Fokker claims to have won in terms of fuel consumption and maintenance costs, but concedes that the 146 is the quieter of the two aircraft—a significant feature in the 1980s.

Clearly, the fact that Fokker was able to produce its latest models from stock has been of assistance to them with East-West. The Dutch group insists, however, that the F28 is as up-to-date as the 146 and, with two engines against four, is a better bet in terms of maintenance. East-West has also agreed to purchase six of the latest Mark 500 F27s, and while the trade-in of 10 older F27s will create marketing problems—especially when added to the 20 bought back from Garuda—Fokker says that good homes can be found for all.

Keeping the F27 and the F28 up to date involves many things, including avionics and the use of lightweight compound materials—the latter a Fokker speciality. But re-engining in this cost-conscious age is a key factor. Rolls-Royce has been the main, traditional supplier of engines to Fokker, and the Dutch company's present quest for a new generation of power units means not merely fresh opportunities for the British company but a chance for the competition—basically Pratt and Whitney of the U.S.—to gain a foothold.

The two workhorses of the Fokker stable—the F28 and (below) the F27

On other fronts, Fokker remains associated with the European Airbus joint project through its manufacture of carbon fibre landing doors for the new A300-600 and has, in addition, been making wing parts for the A310.

Routinely, the F16 assembly lines are moving along steadily and are expected to keep rolling well into the 1990s. A U.S. airforce maintenance contract—expected in May—would bring in valuable revenue. Just as important, it would help preserve a skilled workforce now somewhat under-employed, even after job losses.

Looking ahead, Fokker has plans for an advanced turboprop airliner, with multi-blade, aerodynamically-designed propellers, which could travel at the speed of a 1980s fan-jet at only half the cost in fuel. It is also engaged in the European satellite project.

Meanwhile, the F27, the F28 and the F16 will keep production going at a tolerable level. All Fokker wants now is an economic upturn.

INTERNATIONAL COMPANIES and FINANCE

UOL sees sharp earnings increase

By Georgie Lee in Singapore

UNITED OVERSEAS LAND, (UOL) the major property development associate company of the United Overseas Bank group, has forecast sharply higher earnings for the current year ending December 1983.

Group operating profit is expected to hit S$27.6m (U.S $13.2m) against S$17.4m in 1982, while its share of earnings from associated companies will rise to S$3.79m compared with S$647,000 previously.

Adding the profit of S$25.15m from the recent sale of land by its subsidiary, Mount Echo Park, to the Brunei Government, group pre-tax profit will reach a total of S$56.56m. In 1982, group pre-tax profit was S$18.02m.

Taxation is expected to amount to S$20.6m resulting in a post-tax profit figure of S$35.98m against S$7.3m previously.

UOL's forecast was made in its prospectus for the issue at par of S$150m nominal of 8 per cent convertible unsecured loan stock.

The group disclosed that net tangible assets per share as at the end of last year amounted to S$2.93 based on a capital of S$94.93m. However, if all the outstanding subscription rights were exercised in full, the issued capital would increase to S$140m and net tangible assets per share would decline to S$2.56.

However, UOL added that the net tangible assets per share would rise to S$3.72 and S$3.10 respectively if the surplus arising from the revaluation of its properties not taken up in the accounts were included.

The major portion of the group's turnover comes from the sale of development properties, as reflected in last year's figures. In 1982, 43.6 per cent of turnover came from sale of development properties, 22.4 per cent from gross rental income from investment properties, 26.2 per cent from gross revenue from hotel operations and the remaining 7.8 per cent from other sources.

VOL said that the conversion price of the loan stock into ordinary shares would be fixed at a price equal to the average of the last dealt price of its shares on the Singapore stock exchange from April 19 to 25.

Japan relaxes domestic bond rules

BY YOKO SHIBATA IN TOKYO

THE JAPANESE Ministry of Finance has approved the relaxation of rules for domestic flotation of convertible bonds. The formula was worked out by Japanese securities houses in an attempt to attract Japanese corporations back to the domestic capital market from the Swiss franc and other overseas capital markets.

Under the new rules, corporations with good ratings will be given a lower coupon rate on their bonds up to a full 2 per cent (currently 1.3 per cent) from the base rate. The base coupon rate is also to be reduced by 0.3 per cent point to 5.6 per cent per annum from the current 5.9 per cent for ten-year bonds.

The moves will enable the best-rated Japanese corporations to raise funds through convertible bonds with coupon rates of around 4 per cent, thus vying with Swiss franc bonds which currently carry coupon rates of around 3.5 per cent when the foreign exchange risks involved in overseas issues are taken into account.

Under the new rules, Obayashigumi, the construction company, will receive the go-ahead next month to issue a Y10bn ($42.2m) convertible bond. Marui, the stores group, and NEC will follow suit with Y20bn and Y30bn issues.

In the fiscal year ended March 1983, convertible bonds issued overseas numbered 75, worth Y627.3bn, topping domestic convertible issues totalling 46 and worth Y417.5bn.

This indicates the crowding out of private bonds from the domestic capital market by the massive flotation of government bonds.

Coupon rates on corporate bonds in Japan are linked with long-term government bonds. Because of excessive government issues long-term interest rates remain high, and consequently Japanese corporations have begun to tap the overseas capital markets. They are particularly going to the Swiss franc market, where coupon rates are 2 per cent lower than in the domestic market and issuing procedures are much simpler.

Since the beginning of this year, Japanese corporations have further accelerated their fund raising in the Swiss market. Swiss franc denominated straight and convertible bonds in the January to March quarter accounted for as much as 58 (worth $1.9bn) of the total overseas straight and convertible bond issues (68, worth $2.6bn).

In sharp contrast, only 65 corporations are planning straight and convertible bonds in the domestic market for the entire fiscal year which started this month—the lowest number ever, according to the Bond Underwriters Association.

As a result, measures to revitalise the domestic issuing market were urged by Japanese securities houses. They are not convinced, however, that the relaxation in rules will result in Japanese corporations doing an about-turn.

Altech maintains strong growth

BY OUR JOHANNESBURG CORRESPONDENT

ALLIED TECHNOLOGIES (Altech), the broadly based South African electronics and electrical company, maintained its record of strong growth in the year to February 28. Turnover rose by 43 per cent to R296m ($271.5m) from R207m, while the pre-tax profit of R54.5m was 53.4 per cent ahead of the previous year's R35.5m.

The company attributes the year's progress to increased volumes, new leading-edge technology products and prudent asset control. The company's 63 per cent-owned subsidiary, Powertech, which operates in the industrial electrical field, registered a 65.5 per cent pre-tax profit advance to R12.5m, largely due to the acquisition of the Lascon lighting firm and battery manufacturer Willard. Powertech announced that it is to acquire the South African battery manufacturing interests of Lucas for R2.8m and will make Lucas brand batteries under licence.

High growth rates will continue to be recorded in the electronics industry, particularly in the field of telecommunications, the company believes. Manufacturing facilities have been expanded to cope with the expected growth in demand. The expansion has been achieved without resorting to borrowing and the company debt level remains small. At the end of February, the order book stood at a record R266m against R221m a year earlier.

The dividend has been increased to 80 cents from 63 cents while earnings rose to 261.6 cents per share from 190.1 cents.

Nampak raises interim dividend

BY OUR JOHANNESBURG CORRESPONDENT

NAMPAK—South Africa's largest packaging company and an indirect subsidiary of the Barlow Rand Group—saw first-half turnover rise by 9.6 per cent to R317m from R289m in the six months ended March 31.

Interim operating profit before interest and tax, and calculated after Lifo accounting adjustments, was 9.4 per cent ahead at R48.9m ($44.9m) against R44.7m.

In the year ended September 30 1982 turnover was R602m and operating profit R87.1m.

Mr Bas Kardol, chairman, said selling prices could not be inucreased to kep pace with raw material and other cost rises, but operating profit benefited from productiivty improvements, cost control and further rationalisation. Provided economic conditions did not deteriorate further, this year's profits would be greater than those of financial 1982, he said.

An interim dividend of 32 cents has been declared from earnings of 79 cents a share. The first half of last year resulted in an interim dividend of 28 cents and earnings of 68 cents a share, while the year to September 30 1982 resulted in earnings of 143 cents and a total dividend of 60 cents.

Nampak is bidding 975 cents a share for the 14 per cent of outstanding ordinary shares it does not already hold in its 86 per cent-owned subsidiary Premier Paper, which produces tissue wadding and packaging paper. It is also offering 273 cents a share for the convertible preference shares it does not own in Premier.

The total cost of the bid to Nampak is R3m. Premier Paper shareholders have the option of converting their holdings into Nampak shares at a conversion price of 1,250 cents.

A$66m CSR property deal

By Michael Thompson-Noel in Sydney

CSR, the Australian sugar, resources and building products group, has clinched one of Sydney's biggest sale-and-leaseback deals with the sale, for A$66m (US$57.4m), of its head office complex in the central business district to Farrer Properties.

The shareholders in Farrer Properties are Bank of New South Wales nominees, Perpetual Trustee Company, and Wardley Australia.

The move is designed to boost CSR's working capital—hit by the plunge in commodity prices, and by stagnation in the Australian building sector. CSR's net profit grew by only 0.8 per cent in the six months to last September 30, to A$42.8m.

Filipino phone group ahead

By Emilia Tagaza in Manila

PHILIPPINE Long Distance Telephone (PLDT), owner-operator of more than 90 per cent of the telephones installed in the Philippines, last year recovered from declining profits. Net income for 1982 rose by 6 per cent to 218m pesos ($23m), from 250m pesos in the previous year. This compares with an 18 per cent profit decline in 1981.

First profits setback for Dai 'ei in seven years

By Our Tokyo Staff

DAI'EI, operator of Japan's largest supermarket chain and the country's largest retailer, has reported its first earnings setback in seven years. Unconsolidated net profits for the year to end-February 1983 fell by 36.2 per cent to Y6.26bn ($26.5m) from Y19.82bn a year earlier.

At the per share level, the earnings decline translates to a fall from Y34.75 to Y22.04, but the company has lifted its dividend by Y0.75 for a total payout of Y16.50 against Y15.75 in the previous year.

Sales showed a modest rise from Y1.216 trillion to Y1.232 trillion, with chain store turnover dampened by sluggish economic conditions and by poor demand for seasonal merchandise following an unseasonably cool summer and a warm winter. Clothing sales declined by 6.2 per cent to account for 22.3 per cent of Dai'ei's overall turnover. Food sales showed a small decline to 34.4 per cent of total turnover, while sales of leisure products made up 10 per cent of the overall figure.

The earnings setback was attributed to heavy interest payments resulting from aggressive expansion of outlets, including the opening of four new stores, remodelling nine unprofitable stores, the acquisition of managerial rights on Ala Moana Shopping Center in Hawaii and opening of department stores in succession through its subsidiary, Au Printemps Japan. Higher sales and administrative costs also affected earnings.

For the current fiscal year, unconsolidated full-year profits before extraordinary items are expected to reach Y15bn, up 10.7 per cent. Unconsolidated net profits are expected to rise by 4 per cent to Y6.5bn on Y1,260bn, up 2.3 per cent.

● Jusco, Japan's fourth largest chain store group, has reported a fall in consolidated net earnings to Y6.19bn in the year to February 20 1982, from Y7.9bn in the previous year. Earnings per share dropped from Y54.38 to Y38.36, despite an 8.2 per cent increase in sales, from Y661.675bn to Y716.781bn.

NORTH AMERICAN QUARTERLY RESULTS

AIRFAC

First quarter	1983 $	1982 $
Revenue	544.5m	514.2m
Net profits	1m	6.7m
Net per share	0.08	0.45

BIG THREE INDUSTRIES

First quarter	1983 $	1982 $
Revenue	185.2m	212.7m
Net profits	13.2m	26.0m
Net per share	0.31	0.63

CESSNA AIRCRAFT

Second quarter	1982-83 $	1981-82 $
Revenue	121.1m	232.9m
Net profits	†1.2m	6.7m
Net per share	†0.07	0.36
Six months		
Revenue	270.5m	514.1m
Net profits	480,200	21.8m
Net per share	0.03	1.14

† Loss

CHESEBROUGH-POND

First quarter	1983 $	1982 $
Revenue	401.5m	404.7m
Net profits	28.9m	31.5m
Net per share	0.81	0.91

CITY INVESTING

First quarter	1983 $	1982 $
Revenue	1.37bn	1.38bn
Net profits	25m	29.2m
Net per share	0.67	0.84

COMMONWEALTH EDISON

First quarter	1983 $	1982 $
Revenue	1.03bn	1.05bn
Net profits	163.5m	127.4m
Net per share	0.91	0.80

DUN AND BRADSTREET

First quarter	1983 $	1982 $
Revenue	380.3m	357.4m
Net profits	37.1m	31.2m
Net per share	1.32	1.11

ETHYL CORP

First quarter	1983 $	1982 $
Revenue	385.9m	402.7m
Net profits	20.2m	17.1m
Net per share	0.49	0.43

FMC

First quarter	1983 $	1982 $
Revenue	853.7m	844.8m
Net profits	31.5m	32.5m
Net per share	0.94	0.96

FRUEHAUF

First quarter	1983 $	1982 $
Revenue	460.2m	481.5m
Net profits	†18.2m	†10.7m
Net per share	†1.47	†0.87

HOLIDAY INNS

First quarter	1983 $	1982 $
Revenue	349.3m	332.5m
Net profits	22.4m	20.8m
Net per share	0.59	0.49

KIDDE

First quarter	1983 $	1982 $
Revenue	586.4m	665.4m
Net profits	21.1m	20.6m
Net per share	1.00	0.99

NATL DISTILLERS

First quarter	1983 $	1982 $
Revenue	387.1m	464.4m
Net profits	15m	29.4m
Net per share	0.39	0.81

NORTHWEST BANCORP

First quarter	1983 $	1982 $
Revenue	13.2bn	14.9bn
Net profits	36.7m	25.8m
Net per share	1.20	0.87

NORTON SIMON

Third quarter	1982-83 $	1981-82 $
Revenue	699.1m	698.1m
Net profits	8.9m	23.1m
Net per share	0.20	0.74
Nine months		
Revenue	2.17bn	2.21bn
Net profits	47.7m	78.7m
Net per share	1.43	2.32

OLIN CORP

First quarter	1983 $	1982 $
Revenue	473.1m	498.7m
Net profits	22.5m	22m
Net per share	0.95	0.93

PARKER-HANNIFIN

Third quarter	1982-83 $	1981-82 $
Revenue	263m	291m
Net profits	7.8m	15.4m
Net per share	0.30	0.62
Nine months		
Revenue	781m	880m
Net profits	15.5m	43.1m
Net per share	0.61	1.73

TEXTRON

First quarter	1983 $	1982 $
Revenue	717.7m	773.8m
Net profits	22.3m	20.8m
Net per share	0.60	0.57

UNITED CABLE TELEVISION

Third quarter	1982-83 $	1981-82 $
Revenue	38.0m	24.9m
Net profits	†1.12m	5.04m
Net per share	†0.10	0.46
Nine months		
Revenue	110.8m	67.9m
Net profits	†769,000	12.7m
Net per share	†0.06	1.16

† Loss

WASHINGTON POST

First quarter	1983 $	1982 $
Revenue	198.5m	183.1m
Net profits	6.15m	5.1m
Net per share	0.43	0.36

UK COMPANY NEWS

Dunlop incurs loss and passes final

CONTINUING *problems in the* European tyre market pushed Dunlop Holdings into the red for 1982 and the final dividend is being omitted, leaving the 2p net interim to stand against last year's total of 4p.

The company incurred a £7m pre-tax loss, compared with a break-even position last time, while at the attributable level the deficit almost doubled from £41m to £80m.

The taxable result represents a second-half downturn from profits of £3m to losses of £11m, for at halfway the swing was in the opposite direction, a surplus of £4m comparing with a £3m deficit.

Sales for the 12 months pushed ahead from £1.46bn to £1.53bn but, after depreciation of £40m (£36m), operating profits fell from £52m to £41m. From this higher finance charges took £56m (£45m), although there was a contribution of £8m from associates and investment income, against a £7m loss previously.

Tax absorbed £31m (£29m) for a 36.7p (29.4p) loss per 50p share and below the line there were also charges of £14m (£12m) for minority profits and £28m (nil) for extraordinary debits.

Following the marked deterioration in the second half of 1982, the directors report that results for the early months of 1983 are below those for the corresponding period.

They emphasise that, despite restructuring and cost reduction programmes in recent years, the group's main problem remains tyres in Europe, a strengthening performance in Germany being offset by continuing difficulties in France, the UK and Ireland.

Measures to improve the position have been, and remain, a *major task with further radical* action to be taken, the directors state.

On the other hand, they add, profits from other products in the UK are improving and market conditions are firmer, with the result that the cost improvements made last year are being increasingly reflected in profit margins.

A number of overseas subsidiaries, notably the U.S., are performing well and overseas profits are *higher* than for the same *period of the previous year,* despite adverse trading conditions.

Changes in the group have resulted in the inclusion in 1982 of the sales of Dunlop SA, *France, now a subsidiary,* and the exclusion of the sales of Dunlop India, now an associate and of Dunlop Estates Berhad which has been sold.

After eliminating the effect of these changes, the value of sales in 1982 was 3 per cent higher than 1981. The pound equivalent of overseas sales was £1.03bn, 5 per cent higher, sales by the UK companies were £498m, unchanged, and the value of exports from the UK was £125m, a decrease of 3 per cent.

If the 1981 profit is adjusted to reflect the changes in the group, profits for 1982 would not be materially different.

In the second half of 1982 operating profit was £12m, a marked deterioration as compared with the £29m made in *the first half.*

The directors report that in the UK the rate of loss in the tyre business increased sharply in the second half, mainly because of continued price erosion coupled with the need for short time working to balance supply with market requirements which were affected by rising imports.

However, the total loss for the year was less than in 1981.

The industrial group improved its profits from the level of the *previous year, profits* in engineering were lower, the loss in the consumer businesses was reduced, but sports incurerd a small loss.

They say recessionary condi*tions also persisted throughout* the year in the other EEC countries. Increased operating losses were suffered by Dunlop France. However, the German company earned a profit.

Africa overall maintained profits and Dunlop SA had another record year. Although the Nigerian company made a loss, substantial progress was made in turning it round and it was operating at break-even by the end of the year.

The U.S. company's profits showed an improvement as did the subsidiaries in New Zealand and Trinidad. Profits in the Malaysian subsidiaries were maintained at the previous level.

Some £7m of the £11m increase in financing charges arose from changes in the status of *the French and Indian companies.*

As already announced the agreements with Pegi Malaysia for the sale of Dunlop Malaysian Industries have been modified. As the agreements are still subject to the consent of the Malaysian Foreign Investment Committee, DMIB remains a subsidiary. When this consent is received an extraordinary profit of around £24m will arise and a net consideration of £55m becomes due to Dunlop.

Capital expenditure, including capitalised value of leased plant, totalled £61m (£60m), while working capital decreased by £12m (£8m increase).

Taking into account of the de*ferred proceeds relating to the* sale of Dunlop Estates Berhad, year-end borrowings at £418m were £55m higher than at the end of 1981. This increase includes £17m due to exchange rate movements, *but* deconsolidation of Dunlop Nigerian Industries reduced borrowings by £22m.

Funds generated in the year totalled £62m (£86m), including £32m (£34m) on divestments. These figures exclude £55m of net proceeds to be received from sale of half the group's interest in Dunlop Malaysian Industries (1981 excluding £60m deferred proceeds from the sale of *Dunlop Estates, of which £20m* was received in 1982).

Sir Campbell Fraser, chairman, said later yesterday that the company lost some £26m in its European tyre business last year, *about half of it in the UK.*

See Lex

HIGHLIGHTS

Lex today looks at Dunlop Holdings which has produced *a £7m pre-tax loss for 1982 on revenues of over £1.5bn,* compared with breakeven in the previous year. The setback comes in the wake of severe competition for its European tyre operations. The column goes on to look at the figures from F. W. Woolworth where on underlying fourth quarter trading improvement has been hit by heavy interest payments. Also considered at the Public Sector Borrowing Requirement for the latest fiscal year that are worse than suggested by the recent Central Government Borrowing Requirement figures and place some question marks over the 1983/84 total. The column goes on to consider the chemicals industry in the light of yesterday's very bullish statement by the chairman at the annual meeting of ICI, and encouraging second half figures from Laporte Industries, which sent the sector rising to new heights.

Year-end fall at Clarke, Nickolls

A fall from £1.19m to £713,000 in pre-tax profits is reported by Clarke Nickolls and Coombs, the property investment and development holding company, for 1982. Sales of land and buildings improved from £1.2m to £1.51m, and gross rents and payments for services were £916,000 against £802,000. Comparatives have been re-stated.

The final dividend is raised from 2.75p net to 3.25p for an increased total of 5p (4.5p).

There was a tax credit of £6,000 against a debit of £76,000. Nothing was transferred to reserves against £52,000 last time, and extraordinary credits totalled £8,000 (debits £2,000). Stated earnings per 25p share fell from 21.65p to 14.03p, and net asset value per share was unchanged at 172p at book value, and down from 218p to 203p at market value.

Laporte gets boost from tight cost control

TIGHT CONTROL of costs, rather than volume increases, was the main reason behind a 36 per cent advance in pre-tax profits of Laporte Industries (Holdings), chemical manufacturer, from £15.21m to £20.69 for the year ended January 2 1983.

Group sales for the year, including the attributable share of the associated Interox principal companies, advanced 13 per cent from £214.67m to £242.97m, with increased sales shown by both the Laporte and Interox companies.

The directors explain that the 1982 results reflect the continuing upward trend of the group's increasingly diversified specialist chemical business.

The final dividend is stepped *up from 3.5p to 5.25p net making* the total payment 1.75p higher at 8.75p per 50p share. Stated earnings per share rose by 8.9p to 19.7p. The tax charge was only marginally higher at £9.24m (£8.94m) and fell to a normal percentage.

The directors say the main areas of improvement in 1982 were due to: a full year's effect from the 1981 rationalisation at Stallingborough, together with the benefit from the chloride plant expansion; further exploitation of the new activated earth plant at Widnes, particularly through additional exports; an excellent performance by the Interox companies.

	52 wks 1982 £'000	53 wks 1981 £'000
Sales	242,970	214,670
Laporte—UK	112,702	103,485
—Australia	33,180	23,060
—Other o/seas	11,722	10,570
Interox*	85,366	77,555
Profit before interest†	12,625	9,814
Laporte—UK	10,287	7,244
—Australia	2,565	2,512
—Other o/seas	247	58
Interest	3,121	3,195
Share of Assoc. profits	11,188	8,593
Interox	10,583	7,815
Others	605	777
Profit before tax	20,692	15,212
Taxation—UK	1,911	1,946
—Overseas	1,021	1,609
—Associates	6,304	5,387
Net profit	11,456	6,270
Extraordinary debit ¶	483	‖ 278
Attributable	10,973	6,548
Pref. dividend	32	32
Ordinary dividend	5,085	4,052
Retained	5,876	2,464

* Principal companies attributable share. † Includes profit on property sales £824,000 (£1,726,000). ‡ Loss. § Profit. ¶ Comprises exchange losses £562,000 (£539,000) and closure provisions released £79,000 (£817,000). ‖ Credit.

Atlantic Resources I£4.7m rights

Atlantic Resources, the Dublin based oil and gas exploration company is seeking to raise I£4.71m through a rights issue to finance the cost of drilling and exploration in the Celtic Sea. The issue, involving 6.23m new shares, is on a four-for-five basis at 80p per share.

Atlantic has interests in the Irish Porcupine Basin as well as the Celtic Sea on the Irish Continental Shelf and has further exploration and production interests in Oklahoma and West Virginia in the U.S.

Eight directors have irrevorably undertaken to subscribe for their full entitlement of shares which amounts to I£525,080, being 70 per cent of the total entitlement of the board.

Competrol Establishment, a European based investment holding company has agreed to subscribe for 1,125,000 shares costing I£900,000 which will give it 8 per cent of the enlarged issued share capital of Atlantic. As part of the agreement, Fitzwilton has agreed to renounce 1,125,000 shares (76 per cent of its entitle*ment under the rights issue) in* favour of Competrol nil paid and for no consideration.

The balance of the issue, 4.45m shares, has been underwritten by Industrial Credit Company. *Brokers* to the issue are J. and E. Davy in Dublin and Laing and Cruikshank and Greig, Middleton and Co in London.

Poor reception to Bristol issue

City of Bristol got a poor reception for its £35m 11¾ per cent issue of redeemable stock 2008 at £98 per cent. Underwriters are being called upon to take up approximately 58 per cent of their commitment. But underwriters have the benefit of an extra 0.25 per cent fee for the fixed term issue and they do not expect it to come much below par when dealing starts today.

The Bristol stock suffered from a dullness in the market and a drop of a point in long-term gilts since the beginning of the week. Still, the lack of interest came as a surprise so soon after the *oversubscription for the Borough* of Sunderland's offer of £25m of redeemable stock.

LADBROKE INDEX
based on FT Index
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High cost of borrowings holds Woolworth to £20m

THE COST of borrowings associated with the Paternoster bid resulted in an annualised interest charge of £40.65m for the year on a pro-forma basis to January 29, 1983, giving Woolworth Holdings a pre-tax profit *of £20.5m for the period, after* taking into account a £16.24m surplus on property disposals.

The pro-forma figures have been restated as though F. W. Woolworth had been held for a full year.

Turnover is shown at £1.12bn and operating profits came through at £44.91m. Tax has not been provided for as no dividend has been *proposed* and interest charges with continued receipt of capital allowances will effectively shield the group from mainstream tax liabilities. Earnings per 50p share are given at 30p.

A pro-forma consolidated balance sheet as at January 29 shows borrowings of £303.6m. These consisted of loan stock £102.6m, bank loans £115m and net bank overdrafts £86m. Interest payable has been annualised using rates which applied during the three months to the accounting date.

Shareholders' funds are given at £372.67m, with fixed assets at £554.63m and net current assets excluding bank borrowings at £121.64m.

The announcement of results also gives 12 months' figures for F. W. Woolworth which show pre-tax profits ahead from £38.28m to £47.38m after interest of £14.43m (£14.51m) and depreciation of £15.69m (£13.35m).

In his first statement as chairman of Woolworth Holdings, Mr John Beckett expresses confidence in the company's long-term prospects and says he looks to the future with optimism.

He reports that of F. W. Woolworth's 24 per cent increase in trading profits to £58.4m, the main part was attributable to the B & Q DIY chain. During the year, the Dodge City outlets, which were acquired in November 1981, were absorbed and converted to the B & Q format.

In the *main* Woolworth chain, both turnover and trading profit showed relatively small advances. Sales were disappointing in the earlier part of the year while costs continued to increase.

As regards the future of Woolworth Holdings, Mr Beckett says that actions taken, and being taken, should show some benefit in the current year.

It is the board's objective to improve the return on assets in the business and to ensure that demanding financial criteria are achieved. To set the course required detailed analysis, experimentation and reflection, while *implementation* will require further positive management action. This will take time, he states, "no one should expect a decline of a decade and more to be arrested and turned into success in the short-term."

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aquascutum	1.3	June 10	1.3	2.05	2.05
Bardsey	0.1	—	0.3	0.1	0.3
Bentalls	1.3	June 8	1.2	1.6	1.5
Beradin Hdgs.	0.35	—	—	0.65	0.65
Camrex	2.38	July 4	2.38	4.02	4.02
Casket (Hldgs.) int.	0.5	—	0.5	—	1.75
Clarke Nickolls	3.25	—	2.75	5	4.5
Horace Cory	0.8	—	0.7	1.4	1.1
Dunlop	nil	—	2	2	4
Fleming Universal	4.75	July 25	4	6.75	6
Garfunkels	1‡	—	—	1	—
General Scot. Tst.	2.1	July 6	2.1	3.1	3.1
Highcroft Invst.	1.9	—	1.7	3.15	2.85
Laporte Industries	5.25	June 17	3.5	8.75	7
F. J. C. Lilley	3.87†	—	3.52	6.05	5.5
Lunuva-Cey. Tea 2nd int.	27‖	May 17	27	33	33
McKechnie Bros.	2	June 8	2	—	7.28
P. & W. Maclellan	1	July 1	0.93	1.5	1.43
M.Y. Dart	nil	—	nil	0.1	1.82††*
Owen Owen	2	July 1	2	3	3
Harold Perry Motors	2.25	July 5	2.25	3.75	3.75
Scottish Mortgage	3.3	—	2.8	5.8	5.3
SI Group int.	0.38	—	0.3	—	1
R. Smallshaw	1.25	—	1.25	2.25§	1.75¶
Supra Group	1.15†	—	1.14*	1.9	1.82*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 15 months. ¶ for 12 months. ‖ In lieu of final. †† For 18 months.

McKechnie progress continues

A STEADY improvement in results has been shown by McKechnie Brothers for the first six months to the end of January 1983, with pre-tax profits rising from £5.03m to £5.5m. Sales of this group which is mainly engaged in the manufacture of non-ferrous and ferrous metal products improved from £73.51m to £76.13m.

In his annual report Mr J. M. Butler, chairman had expressed the hope that the group would continue to make progress.

He now believes that the trend to improved profits in the UK should continue and that it will offset some further decline in overseas income. Overall prospects therefore remain unchanged.

The steady improvement in results came from a significantly better performance in the UK due to continued investment in new plant and increasing awareness among employees of the importance of productivity.

The going has been tougher *overseas as expected he says, but* adds that the end of destocking may have taken place. The merger of Denver Metals with certain of the group's South African manufacturing interests has given the group a stronger base for long term growth.

The net interim dividend has been held at 2p, with earnings per 25p share shown as rising from 6.2p to 7.5p. In the last full year a total of 7.2765p was paid from pre-tax profits at £10.15m from sales of £153.97m.

At the operating level profits moved ahead from £3.46m to £4.94m after higher depreciation of £2.84m against £2.48m. The share of profit from associates slipped from £2.84m to £1.96m, and interest charges moved ahead from £1.27m to £1.4m.

Tax is estimated at £1.76m compared with £1.83m and after minorities of £12,000 against £89,000, net profits rose from £3.11m to £3.73m.

After extraordinary debits this time of £27,000 compared with previous credits of £1.14m attributable profits came through lower at £3.71m against £4.24m. Ordinary dividends absorbed £997,000 (£995,000)

Asea placing

The largest ever secondary placing of a Swedish company's shares in the London market was made yesterday. Enskilda Securities placed, through stockbrokers Cazenove and Co. 502,582 free B shares of Asea AB, the electric power equipment concern with institutional investors. The placing price of SKr 345 represented a 1.4 per cent discount to the previous close. Afterwards the shares were trading in Sweden above SKr 360.

Greater efficiency and reduced costs led to improved margins, resulting in record profits in an eventful and exciting year. Operational changes were made and important new initiatives taken for the future.

'A year of achievement and change' at London Brick

Jeremy Rowe, CBE, Chairman

EXTRACTS FROM THE CIRCULATED STATEMENT BY THE CHAIRMAN

For London Brick the year was one of achievement and change. Achievement because we reaped the rewards of steps taken earlier to cut costs and increase efficiency. Change because during 1982 we changed the way in which we operated and took important new initiatives for the future.

The pre-tax profit for the year at £15,328,000 was 37% up and was a record for the Company. It was obtained on only a modest increase in turnover and at a time of continuing recession in most of our markets. We are proposing to capitalise part of our reserves through a one for one bonus issue to bring the authorised capital more into line with the underlying value of the business and demonstrate the Board's confidence in the future.

How did we achieve this better result? Whilst in 1981 it was the subsidiary companies who cushioned the effect of the fall in brick sales, in 1982 it was bricks that largely made the running. The recovery here came from concentrating our production on a smaller number of more efficient works. As a result, margins benefited from lower cost and greater efficiency.

At the half year we changed the way in which we operated. London Brick PLC became the parent company for the Group and, in addition to the existing subsidiaries, three new operating companies were formed – London Brick Engineering Limited, London Brick Property Limited and London Brick Products Limited. Within the old parent company we had two departments originally formed to service our brick production which had grown to important activities in their own right. One was Engineering and the other was Estates. To make the best use of assets it seemed sensible to make them into profit centres and to allow them the opportunity of standing on their own feet. At the same time the brickmaking activity had to be allowed to organise itself so that its management could concentrate solely on the efficient production, marketing and distribution of their products at a time of intense competition. The formation of the new operating companies also allowed us to involve line management more closely in the day-to-day generation of profit, whilst freeing those at the centre to concentrate on the overall direction and expansion of the Group as a whole. The experience to date is encouraging. The management involved are already producing fresh ideas and a healthy enthusiasm for profit.

The change in corporate structure does not imply that we are seeking to become an industrial conglomerate: we remain primarily brickmakers and two new initiatives taken during the year related to widening our interests in the brick industry.

The first of these was our decision to invest in Brick and Pipe Industries of Melbourne, Australia, a company we know well and whose interests are largely similar to our own. The exchange of information and expertise will benefit both companies, whilst our financial support will assist Brick and Pipe's further expansion.

Secondly, we negotiated an agreed merger with Ibstock Johnsen PLC, the only major independent brickmaker in the non-fletton field. The merger proposal has lapsed because, following a counter bid from Redland PLC, the two offers were referred to the Monopolies and Mergers Commission for investigation. Whatever the outcome, and we shall not know until later this year, the commercial logic of the merger has not been questioned. Nor do we believe it is contrary to the public interest.

In an eventful and exciting year, we have once more benefited from the loyalty and good sense of our management and staff. Might I take this opportunity of thanking them most sincerely for their contribution to what has proved a successful year.

Jeremy Rowe CBE

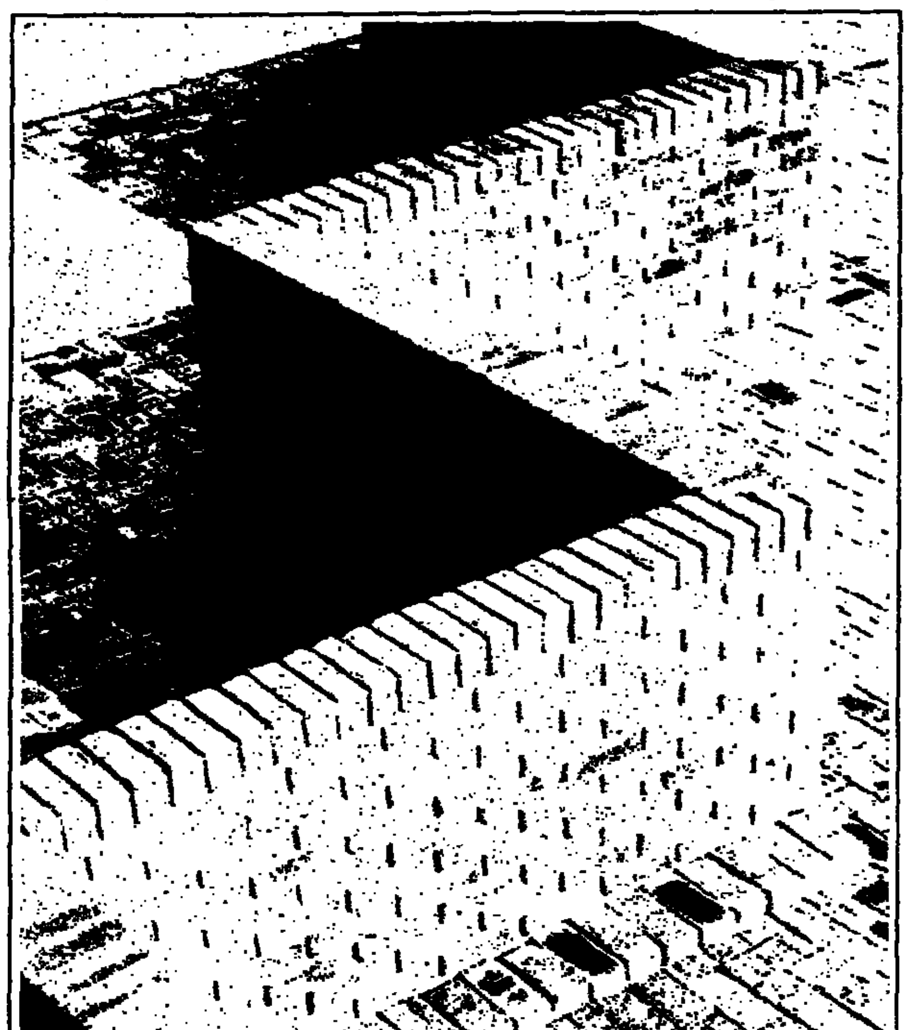
Salient figures

	Year ended 31st December	
	1982	1981
	£'000	£'000
Turnover		
Clay Products	**95,963**	88,682
Others	**41,493**	38,407
	137,456	127,089
Trading Profit		
Clay Products	**12,189**	8,397
Others	**3,928**	3,464
	16,117	11,861
Net profit before Taxation & Extraordinary Items	**15,328**	11,154
Profit available for distribution	**10,139**	3,911
Earnings per share	**17.06p**	11.35p
Dividend per share	**5.50p**	4.89p

REVIEW OF OPERATIONS

London Brick Products

Under the new structure the responsibility for the manufacturing and marketing of brick, and other clay products passed to London Brick Products Limited, the largest of the new subsidiaries. The company has twelve brick plants and provides employment to more than 5,000 people. In addition to its extensive manufacturing capabilities it has a nationwide sales force, comprehensive distribution facilities and an experienced research and development team.



An end to the fall in housebuilding activity was a feature of the year with an increase in housing starts showing through in both the private and public sectors. In order to ensure a more firmly based recovery it will be necessary to both maintain the downward trend in interest rates and to sustain the level of mortgage lending. If this can be achieved and is accompanied by greater confidence in the economy as a whole, the prospect for new housebuilding will be much more encouraging.

In other sectors of construction, the growth in private commercial building was compensated for by a further reduction in industrial building.

Generally therefore there was little increase in overall activity and brick deliveries remained depressed. Only at the year end were there real signs that the underlying demand was beginning to improve.

The reduction in volume had been foreseen and had led to the decision to close older works and concentrate production on a smaller number of the more efficient plants. Production costs were reduced and the lower level of output enabled brick stacks to be lifted from the ground. Stocks are now at a more reasonable level to match both current deliveries and the expectation of a higher level of demand in 1983.

A number of major steps were taken during 1982 to offer customers improved and extended product ranges, backed by information services on their application. One of the most significant features was the addition of three new bricks to the Oxford Clay fletton range, all of which are proving popular with specifiers and builders alike.

Additional products have been added to the Clockhouse range which provides bricks of a traditional, handmade appearance at a competitive price. The Weald Clay Clockhouse range is now making a welcome contribution to the overall progress of London Brick Products.

A further feature was the increasing flow of information provided by London Brick Products to its customers and specifiers. A number of brochures were issued to promote the different ranges of bricks, followed by literature offering specialist advice and the introduction of a regular news sheet designed to keep customers up to date with the latest developments.

Technical advisory services to customers were increased during 1982 with the appointment of a Technical Advisory Officer being part of a strengthened Research and Development department which is placing particular emphasis on developing existing brick ranges and investigating the potential for the raw material.

The department's work on production continued with a number of developments, including the extension of quality control methods and the provision of additional guidelines for operational procedures used in brick manufacture. This forms part of a concerted programme with the dual objective of improving still further both the finished quality of the company's products, and the efficiency of the brickmaking process.

London Brick Landfill

London Brick Landfill is an acknowledged leader in the separate but closely related fields of waste disposal and land restoration. The company offers a secure long-term and comprehensive waste collection and disposal service, and in doing so provides fill for the important task of restoring worked-out clay pits for agriculture or other productive use. During 1982 Landfill continued along its proven path of success, consolidating its position at the forefront of waste management services and land reclamation, and contributing to the growth of the Group as a whole. Further progress was made in long-term negotiations with Local Authorities and other organisations which could provide considerable scope for expansion in years to come.

The facilities provided by the company to industry continued to expand with concentration on the Rear End Loader vehicle, and the wide range of equipment already available from the company was supplemented by the Easicart, a new wheeled two cubic yard container of particular interest to smaller businesses.

London Brick Landfill and London Brick Property are co-operating with the Department of Environment during investigations into the remote disposal of spoil from the proposed Vale of Belvoir collieries.

A further benefit of the restoration process practised by the company is the opportunity for the recovery of energy by collecting landfill gas containing a high proportion of methane. The company is now conducting methane extraction on a limited commercial basis, and at Stewartby the gas has been used to fire some nine million bricks. Developmental work into this unique and interesting energy source continues and the resulting expertise is soon to be made available by London Brick Landfill to external clients, thus providing yet another additional base for the continuing expansion of its future activities.

London Brick Property

London Brick Property Limited was formed to own and manage all London Brick lands, apart from those permanently occupied by other subsidiaries. It is charged with achieving maximum potential from this resource by overseeing its use from initial agriculture through excavation and restoration to its permanent after-use for agriculture or other purposes. The new subsidiary has taken over the responsibilities and employees of the former Estates Department, who over the years have assembled a skilled team of architects, surveyors, land agents and valuers, backed by an experienced labour force. All are now available to provide services not only to London Brick, but to outside clients as well.

The company's subsidiary, London Brick Farms achieved a satisfactory year continuing to gain benefit from advances in agricultural technology and despite difficult weather had a sound and encouraging start to 1983.

The largest source of London Brick Property's external income is currently provided by the agricultural holdings let by the company. As a result of its well established policy of investment in equipment and buildings, it was possible during 1982 to obtain a higher than average return from many of the farms that were let. Some of the land held by the company offers considerable potential for industrial or commercial development.

As part of its programme for a comprehensive balance of land use, London Brick Property promote the use of distinctive areas suitable for conservation. During 1982 the subsidiary continued an extensive planting programme of many thousands of trees, and was responsible for the formation of two additional nature reserves in Peterborough and in the Marston Vale.

London Brick Engineering

The skills and resources of London Brick's engineering section were made available to external customers following the formation of London Brick Engineering. Although its brick-making sister company remains a large and valued customer, Engineering is now better able to offer outside consultancy and engineering services, both at home and abroad.

Since its involvement with the design and construction of a brick factory for the Middle East, it has actively sought similar contracts and is negotiating for a contract to design and build a £5.5 million brick factory for the African nation of Swaziland.

Other ventures undertaken by Engineering overseas have included the provision of consultancy services to one of Australia's leading brickmakers, in Sydney. Discussions also took place in Egypt, India, Africa and Europe for the provision of a variety of services and equipment, including the manufacture, under licence, of London Brick engineering plant. A number of opportunities may also be offered to it for work in Spain, Ghana and the USA following the company's participation in Interceramex, a major British ceramic machine exhibition.

The unique skills which London Brick Engineering has built up from its long and close liaison with the fletton brick industry were also well employed during the year to provide a wide variety of services to London Brick Products. These included the design of a unique £500,000 hopper/kibbler for the new Quest pit at Stewartby, and the manufacture and installation of six facing machines to increase facing brick capacity at three brickworks. A major project was the reconstruction of the Arlesey brick factory to provide manufacturing facilities for the new Gault range of simulated handmade bricks. The company also continued with developmental work on production and facing methods, and on detailed research into the construction and maintenance of kilns.

Banbury Alton

Banbury Alton consists of a number of companies in the home improvement, garden products and prefabricated building fields.

Against a difficult economic background, Banbury Alton made progress. The programme of changes which had been planned was implemented during the year, and whilst losses were not eliminated they were reduced.

The largest subsidiary of Banbury Alton has continued to suffer from losses in its Home Improvement Division. It has been decided to accept an offer for this company which will relieve us of a business which has been a burden to the Group for a number of years.

Croydex

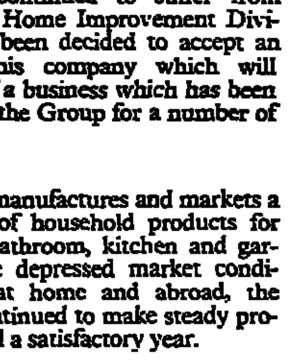
Croydex manufactures and markets a wide range of household products for use in the bathroom, kitchen and garden. Despite depressed market conditions both at home and abroad, the company continued to make steady progress and had a satisfactory year.

London Brick Australia

The friendly relationship that London Brick has enjoyed with brickmakers in Australia resulted during 1982 in the company acquiring a 19.99% holding in Brick and Pipe Industries Limited of Melbourne. The move was welcomed by our Australian friends and two London Brick directors subsequently joined the Board of Brick and Pipe.

Although the Continent has not escaped the effects of the world-wide recession, and housebuilding is currently in the doldrums, the great mineral wealth and increasing population should ensure longer-term growth in construction.

Brick and Pipe Industries are the leading brickmakers in Victoria and South Australia, producing a wide range of extruded pressed and hand-made bricks. They are a well-managed and efficient company and one with which London Brick is proud to be associated.



UK COMPANY NEWS

Camrex dips as depression deepens

TAXABLE PROFITS of Camrex (Holdings), the specialised coatings manufacturer, anti-corrosion engineer and contractor, dropped from a restated £837,000 to £802,000 for 1982, following the £32,000 rise to £219,000 reported at midway. Turnover dipped from £19.47m to £18.09m.

The directors explain that the depression in the group's major markets, especially in marine, was much deeper than anticipated with a large proportion of world shipping lying idle.

This condition persists and, although there are a few hopeful signs, real recovery is likely to be delayed, they state.

Reflecting a reduced tax charge of £226,000 (£339,000) earnings per 20p share improved from 5.19p to 6p. The dividend is a same-again 4.02p net with an unchanged final of 2.38p.

In accordance with revised accounting requirements for associated companies, the group has consolidated its share of results of Dufay Bitumastic for the first time and the figures for the previous year have been restated to reflect this adjustment.

Maclellan profits slip

Lower pre-tax profits—£317,000 against £339,000—are reported by P. and W. Maclellan, engineer and supplier, for 1982. The total dividend is raised from 1.43p to 1.5p with a final up from 0.93p to 1p net.

Turnover showed a modest increase from £6.62m to £6.63m. Tax rose from £8,000 to £63,000, and there was an extraordinary debit of £116,000 (£108,000). Stated earnings per 20p share were lower at 3p compared with 3.9p.

The directors point out that the results have been prepared on a merger accounting basis in accordance with proposals made by the Accounting Standards Committee. Consequently, the results of A. Spalding and Son (merger at the end of July 1982) and Scott Whitaker Associates (merger at the end of December 1982) are included for a full year in 1982 and in the comparative figures in 1981.

Owen Owen £1.65m in red but dividend held at 3p

ADVERSELY AFFECTED by its Canadian stores, since sold, pre-tax losses of Owen Owen rose sharply from £229,000 in 1981/82 to £1.65m for the 12 months to January 29 1983.

The dividend, however, is maintained at 3p net per 25p share by a same-again final of 2.2p.

G. W. Robinson Company, the group's Canadian stores subsidiary, incurred losses of £2.13m at the pre-tax level up to its disposal, compared with £820,800 for the previous year.

Below the line, the directors made a £3.17m provision (included in extraordinary items) for the loss on the disposal in December of the shares in G. W. Robinson Company.

They explain that since both the amount of consideration to be received from the disposal and December of the shares in G. W. Robinson Company.

They explain that since both the amount of consideration to be received from the disposal and the timing of its receipt are uncertain, they made the provision to write-off the full book value of the Robinson shares previously held.

It is pointed out that credit for any sale consideration will be taken as and when it is received.

Group sales, including VAT, rose to £131.6m (£127.77m) and were made up as to UK stores and Plumb Contracts, the group's contract furnishing division since sold to its management, £97.8m (£92.85m) and the Canadian stores to disposal date £33.82m (£34.93m).

The UK stores and Plumb Contracts made profits of £477,000, compared with £600,000 in 1981/82.

There were tax credits for the year under review of £81,000 (£746,000) and extraordinary debits totalled £2.63m (£265,000 credits), leaving the available deficit at £4.2m (£843,000 surplus).

The UK stores showed the expected second half improvement which was sufficient to reverse the increased first half loss. This included the first spring season loss in Basingstoke, and leaves the stores' full year results much in line with those of the previous year.

Trading in the UK stores in the first two months of the current year has been "satisfactory."

The sale of Plumb Contracts was completed earlier this month for an amount broadly equivalent to its net asset value.

● comment

Owen Owen's pre-tax losses, from Canada were even larger than expected and are likely to total for the group around £3.5m on an inflation-adjusted basis. But the market reacted with relief yesterday to see the back of the former Canadian subsidiary G. W. Robinson and the share price rose 2p to 172p where the yield is 2.5 per cent. After 21 unhappy months as the sole owner of Robinson's nine department stores in the throes of a severe recession, Owen disposed of the company in December and suffered a haemorrhage to its net asset value of only 40p per share. Thus the group's remaining net asset value of 225p per share on an HCA basis or around 600p using CCA continues to provide the main prop to the share price. But there are other encouraging signs. Owen Owen's bank overdraft has been cut from £7.8m in January 1978 to about £1.3m, its UK workforce has been reduced by a further 10 per cent to around 3,300 and sales in February and March were up by 7 to 8 per cent over 1982 (although this has been less than for other retailers). Of the company's 21 UK stores, the six in the West Midlands have been suffering the most, but only the two recent arrivals in Redditch and Basingstoke are suffering operating losses.

M. Y. Dart shows £0.62m losses

AT £619,000, the taxable loss of MY Dart for 1982 shows a sharp increase over the £235,000 incurred for the previous 18-month accounting period. However, the latter result included a profit made in the first six months which was erased by a £749,000 deficit for the calendar year 1981.

For the 12 months under review, an interim dividend of 0.1p net was paid to maintain trustee status and, as the final payment is now being passed, this is left to stand against an adjusted 1.82p total paid for the 18 months to the end of 1981.

On current trading and prospects, the directors say that the much needed upturn in demand has been slow to materialise, both at home and abroad, and such improvements as occurred in early 1982 were not generally sustained.

However, rationalisation measures which have been implemented, although costly on reported profits, are now to a large extent completed. Therefore, as this manufacturer of sports equipment, packaging materials and pyrotechnics proceeds in building up its various businesses, the directors say they feel confident that, in most areas, the group will achieve a return to profits in 1983.

Turnover for 1982 totalled £24.63m (£36.38m for 18 months) and trading profits amounted to £1.17m (£2.07m). From this, interest took £876,000 (£1.15m), depreciation £765,000 (£1.15m), and there was also an exceptional charge this time of £152,000.

Tax took £147,000 (£61,000) for losses per share of 4p (1.58p adjust) pre-extraordinary items and 3.73p (1.45p) fully diluted. The extraordinary charges amounted to £88,000 compared with credits of £186,000 and, with minority profits at £1,000 (£3,000), increased the attributable deficit to £855,000 (£113,000).

On a CCA basis the pre-tax loss is shown at £1.07m (£0.98m)

The balance sheet at the year end gives shareholders' funds at £10.94m (£11.98m) and borrowings as a percentage of these as 35.71 (31.38).

● comment

MY Dart's pre-tax loss shrinks substantially to £467,000 if you strip out exceptional items, which represent the completion of a radical surgery, involving the closure of the Chingford [illegible] tennis factory and the consolidation of its operations into the Wiltshire tennis-ball factory. This, along with redundancies at Marcosports and the packaging division, will take a hefty bite out of overheads in the current year. Packaging, formerly a major headche, made £89,000 pre-tax, reflecting the benefits of closing the Wiltshire papermill in 1981 and the acquisition of William Thyne, with its fat order books for polystyrene mouldings. Dawes was in the black to the tune of six figures, thanks to a new range of bikes and increased London Transport fares. Marcosports in France had the toughest year—it lost £462,000—burdened by the Government's price freeze in the second half and the weakness of the franc against sterling. In the current year, the company expects no major increase in volume, but its slim new shape should bring a return to profit. The shares slipped 0.5p to 19p.

Co-op Bank criticises 50p charge

BY MARGARET HUGHES

MR LEWIS LEE, chief general manager of the Co-operative Bank, yesterday criticised the big four clearers for charging customers other than their own, 50p for each cheque transaction. "It is," he said, "unfortunate that a time when we (the Co-op Bank) are intending to build bridges with other financial institutions, the clearers should have taken such a retrograde and backward step." The clearers introduced this cheque charge last year.

By contrast, the Co-op Bank was extending its links with Abbey National so that Co-op bank customers would now be able to cash their cheques at 49 London branches of Abbey National Building Society. Next month, in co-operation with Abbey Nationan, it will be extending their Cheque and Save scheme, which they launched almost a year ago, and which pays interest on current accounts.

Details of the amended scheme will not be released until next month, but Mr Lee said yesterday that it will be available throughout the Co-op Bank network. At present it is restricted to outlets of First Co-operative Finance and Abbey National.

Mr Lee emphasised that the clearing facility which it offered Abbey National was "not exclusive" and the Co-op Bank hoped to offer it to other building societies as part of its plans to co-operate with other financial institutions.

He also disclosed that the much-mooted joint venture which it is planning to set up with the trade unions movement will be established later this year. It will have a capital of £2.5m, of which 50 per cent will be contributed by the bank and the other 50 per cent by 20 trade unions. Initially, it would operate purely as a licensed deposit-taking institution confined to one office in the City.

The new institution would be managed and controlled by the Co-op Bank with which, Mr Lee said some 90 per cent of the trade unions bank. It will not be linked to the Labour Party.

Rather, Mr Lee said, it reflected the "modern day" trade union leadership view that because they generate a lot of cash they should have "an interface into the financial world and the economy."

RESULTS AND ACCOUNTS IN BRIEF

BROOKS WATSON GROUP (Dublin based holding company)—Results for 1982 reported March 4. Shareholders funds I£9.63m (I£8.81m): fixed assets £8.25m (£7.96m): net current assets £2.56m (£2.75m): net inflow of funds £1.52m (£8.64m). Meeting: Dublin, May 6, noon.

J. BIBBY & SONS (industrial and agricultural group)—Results for year to January 1, 1983 and prospects reported March 11. Group shareholders' funds £66.21m (£56.65m). Net current assets £29.07m (£23.4m). Fixed assets £48.68m (£39.84m). Capital commitments £1m (£3.57m). Chairman says company's continuing investment and acquisition programme should enable it to maintain a satisfactory long term rate of growth. Meeting, Liverpool, May 17, noon.

MONTFORT (KNITTING MILLS) — Results for 1982 already known. Group fixed assets £2.07m (£2.39m): Shareholders' funds £2.78m (3.15m). Net current assets £788,242 (£1.21m). Net liquid funds increased by £876,269 (£664,919). As at March 17 Palma Textiles Group held 29.95 per cent of the ordinary shares. Chairman says the rate of improvement is likely to be slow in the current year, but group will be ready to exploit any additional opportunities that arise, to stimulate the group's return to "more positive growth and a satisfactory level of profitability." Meeting, Leicester, May 5 at 11 a.m.

AULT AND WIBORG GROUP (maker of printing inks, automotive paints, chemicals and coatings).—Results for 1982 reported March 5, 1983. Group fixed assets £14.49m (£11.62m). Net current assets £6.58m (£6.58m), including bank overdrafts and short-term loan £3.59m (£4.01m). Shareholders' funds £16.95m (£17.23m). Decrease in working capital £0.39m (£1.24m). Chairman says there are some signs that, given some modest improvement in the general economic condition of the country, the company will return to reasonable profitability by the end of current year. At March 14, 1983, Casco Investors Corporation (wholly-owned subsidiary of Sun Chemical Corporation of the U.S.) held 48 per cent of issued share capital. Compensation of £50,000 paid to former director for loss of office. Meeting, 71 Standen Road, SW, May 6 at noon.

HEPWORTH CERAMIC HOLDINGS (clayware, refractories, plastics)—Results for 1982 already known. Group fixed assets £96.2m (£97.56m). Net current assets £91.28m (£100.29m). Shareholders' funds £153.88m (£161.34m). Payment to a director following retirement £20,000. Net liquid funds decreased by £7.68m (£2.79m increase). Meeting, Charing Cross Hotel, WC, on May 11 at noon.

BENROSE CORPORATION (security printing and packaging)—Results for year ended January 1, 1983 reported March 25. Net current assets £8.44m (£7.64m). Fixed assets £15.47m (£15.63m). Shareholders' funds £17.7m (£17.22m). Bank borrowings £4.21m (£6.05m). Capital commitments £3.15m (£37,000). Net cash inflow £1.72m (£2.03m). Meeting, Great Eastern Hotel, EC, May 24, 11.45 am.

MICRO BUSINESS SYSTEMS—Results for 1982 already known. Fixed assets £3.06m (£1.94m). Net current assets £607,000 (£789,000 liabilities). Shareholders' funds £2.24m (£606,000). Increase in working capital £1.84m (£62,000). Chairman says targets set out for 1983 show a significant increase on 1982. Meeting, HMS Belfast, SE, May 12, noon.

FLEMING UNIVERSAL INVESTMENT TRUST—Final dividend of 4.75p (4p) making 6.75p (6p) for the year to end-March 1983. Available revenue £1.52m (£1.38m): earnings per 25p share 6.8p (6.17p): net asset value 283.4p (213.2p): gross income £2.52m (£2.29m): tax £955,736 (£762,955).

DRG (Canada) — Net sales for three months to end March 1983, C$23.95m (C$25.5m), pre-tax income C$435m (C$371m), net income C$270m (C$254m). Income per share C$0.08 (C$0.07). Company is 70 per cent owned by DRG.

ALVA INVESTMENT TRUST — Final dividend 5.6p making same-again 10.5p net for year to February 28 1983. Gross revenue £311,008 (£274,373). Net revenue £153,933 (£168,232) after tax of £98,700 (£74,552). Earnings per 25p share 9.42p (10.51p). Net asset value per share 291p (254p).

THARSIS (pyrites exporter)—Pre-tax profit for 1982, £512,079 (£382,542); turnover £6.19m (£4.9m adjusted): tax credit £20,122 (£67,486 charge). Dividend 3p gross (2.5p); earnings per 25p share 16.82p (12.12p); reserves £3.26m (£3.22m).

SMITH & NEPHEW ASSOCIATED COMPANIES—Results for 1982 reported March 23 with prospects. Shareholders' funds £124.61m (£116.15m). Fixed assets £81.46m (£70.52m). Current assets £110.52m (£106.33m). Current liabilities £55.9m (£52.02m). Meeting, Grosvenor House Hotel, W, on May 12, at 11.30 am.

RUBEROID (holding company)—Results for 1982 already known. Shareholders funds £15.47m (£14.16m); loan capital £4.17m (£1.36m); fixed assets £11.53m (£8.87m); net current assets £7.66m (£5.47m); increase in cash balances £1.58m (£262,000). Meeting: Dorchester Hotel, W, May 12, 12.15 pm.

ATLANTA BALTIMORE AND CHICAGO REGIONAL INVESTMENT TRUST — Pre-tax revenue £35,000 (£31,000) for half year to March 31 1983. Tax £18,000 (£15,000). Net assets per share 141.8p (92.6p at September 30 1982). If borrowings during second half are maintained at present level it is anticipated that net revenue for the full year will be below that of previous year. As known a consortium headed by Morgan Credit has announced its intention to make an offer to acquire the company. Confederation Life Insurance Co has disposed of its holding of 190,000 ordinary (6⅓ per cent).

IBSTOCK JOHNSEN (brickmaker)—Results for 1982 reported on April 2 1983. Shareholders' funds £45.68m (£54.67m); fixed assets £50.84m (£54.29m); current assets £35.85m (£42.97m); net current assets £4.32m (£12.65m). Meting: Hyde Park Hotel, Knightsbridge, SW, May 12, at 11.30 am.

SECURITIES TRUST OF SCOTLAND (investment trust) — Results for year ended March 31 1983: Dividend 5.55p (5.1p) net per 25p share with 3.55p final. Revenue £2.39m (£2.01m) after expenses and tax, giving 5.97p (5.03p) per share. Net asset value, prior charges at par, 215.2p (147.2p): prior charges at market value 223p (157p).

PARAMBE (investment holding) — Results for 1982: Final dividend 0.5p (0.45p) making total 0.8p (0.7p) net per 10p share. Pre-tax profit £68,000 (£55,000) after interest £19,000 (£21,000). Tax £16,000 (£18,000). Earnings per share 1.18p (0.93p). Net asset value 28p (22.1p).

IMI (non-ferrous metals group)—Results for 1982 reported on March 30, 1983. Shareholders' funds £221.99m (£256.15m); fixed assets £137.57m (£116.17m); net current assets £185.39m (£147.61m). Meeting: Birmingham, May 16, at noon.

RENTOKIL GROUP (timber preservation, pest control, damp proofing, thermal insulation and industrial hygiene)—Results for 1982 reported March 18. Group shareholders' funds £42.4m (£33.71m). Fixed assets £30.21m (£22.95m). Net current assets £18.77m (£16.31m), including short-term deposits £3.77m (£958,000) and cash at bank and in hand £2.2m (£3.48m). Increase in net liquid funds £800,000 (£2.44m decrease). Chairman confident of further healthy increase in profits in 1983. Group's ultimate holding company is Sophus Berendsen of Denmark. Meeting: East Grinstead, Sussex, May 10, 10.30 am.

CORAH (knitted clothing and fabrics)—Results for 1982 reported on March 11. Group fixed assets £13.98m (£11.45m). Net current assets £7.85m (£9.06m). Shareholders' funds £21.84m (£20.51m). Meeting, Leicester, May 12, at noon.

CATTLE'S (HOLDINGS) (financial services, retailing and insurance broking).—Results for 1982 reported on March 18, 1983. Shareholders' funds £9.01m (£8.64m); fixed assets £4.97m (£5.16m); current assets £41.1m (£34.36m); net current assets £18.05m (£14.28m), including bank advances £22.59m (£17.88m). Meeting: Hull, May 12, at 3 pm.

UK COMPANY NEWS

Aquascutum profits dive but payment maintained

THE CONTINUED world recession and the cost of major reorganisation within the group have adversely affected 1982-83 profits of Aquascutum Group, *clothing manufacturer and distributor.*

Pre-tax earnings for the year ended January 31 1983 declined *from £1.08m to £333,000, following* the midway reduction from £294,000 to £228,000.

The final dividend, however, is unchanged at 1.3p net, which maintains the total payment at 2.05p. Stated net earnings per 5p shares decreased from 3.89p to *1.91p.*

At the attributable level, profits were down by £254,000 at £542,000. The result included a tax credit *of £60,000 (£288,000* charge), a minority *credit of* £2,000 this time, and an extraordinary credit of *£147,906 (nil)* which was the *surplus* on a property sale.

Turnover for the 12 months rose marginally from £24.86m to *£25.02m.*

In current cost terms, the company made a pre-tax loss *of* £395,000 (£256,000 profit).

Harcourt Irish calls in receivers

Harcourt Irish has requested the group's bankers to appoint receivers over the assets of their subsidiary companies and in addition, where, for legal reasons this is not possible, were seeking the appointment of a *liquidator over other companies* in the group.

The principal companies involved in this, in addition to Harcourt Irish Holdings, are Springs of Wexford, Nu-Plast (Arklow) of Arklow, Capital Paper and BM Plastics of Dublin.

The group has experienced enormously difficult trading conditions, leading to substantial losses and severe pressures on cash resources. *Detailed discussions have taken place with* the group's bankers and the relevant state agencies to establish if a *solution* could be found. It has become apparent that this is not possible.

Garfunkels *hits target* with £0.32m

On target with its forecast in March at the time of a rights issue Garfunkels Restaurants returned profits of £320,887 pretax for the year ended January 2 1983, an improvement of £238,074 *over* the figures for the preceding 12 months.

A final dividend of 1p is being paid—a total of 1.86p per 10p share has been forecast for 1983. Earnings per share for the year under review emerged at 9.37p.

The group's shares have been traded on the USM since last November. In the prospectus the directors predicted profits at a minimum £285,000.

Turnover for the year under review rose to £3.41m (£2.07m) —the group runs a chain of West End restaurants.

Tax took £10,062 (nil)—the previous year there was a release of *provision* for deferred tax amounting to £105,317.

Lilley climbs to £11m and pays more

THE IMPROVED trend in profitability at F. J. C. Lilley has been maintained in the second six months to January 31 1983. Following the midway rise from *£3.55m to £5.03m, full year pre-tax profits of this civil engineer* and building contractor reached £11.03m, against £7.81m *previously,* on turnover up £59.3m at £196.86m.

Although stated earnings per 25p share slipped from an *adjusted 20.69p to 19.1p,* the year's dividend is raised, on increased capital, from 5.5p to 6.05p net with a final of 3.575p. A one-for-one scrip issue is also proposed.

The group's results include those of Mallerstang Holdings for the three-and-a-half months period from the date of acquisition. Some 7.46m shares issued in connection with the Mallerstang acquisition rank for the full dividend for the year, totalling [illegible].

The directors say the continuing uncertainty with regard to the economy and Governmnet policies again makes firm predictions imprudent, but they believe that the year ahead will not see a *reversal* in the *group's* fortunes.

Pre-tax profits were struck after an increase in depreciation *charges from £3.79m to £5.16m,* while interest received was little changed at £1.25m.

The tax charge was £2m higher at £4.42m and there were also minority interests of £287,000 (£268,000).

Mr J. Aitken intends to retire *from* business and to give up the chairmanship of the company after the AGM. The directors have resolved that on his retirement, Mr T. M. Bisset will assume the office of chairman as well as that of group managing director.

● comment

Lilley's results are complicated by a year of feverish corporate *activity, including* two acquisitions and a major rights issue. But a slight decline in trading margins shows the group was not exempt from the recessionary chill felt by the construction industry. The market, however, was pleased with Lilley's 41.2 per cent pre-tax profit increase—the 11th consecutive annual advance —and initially shares rose but ended unchanged. Thanks to management changes and rationalisation, ACE, the pre*viously troubled* construction *machinery* company, broke even at the trading level. The *fully* taxed historic p/e looks high for the sector at 17.2, reflecting the growth prospects *of* a group whose turnover has nearly doubled in two years. Lilley is taking a rest from the acquisition trail in the current *year while the management* tests its ability to handle the group's new size. The current order book is largely unexciting, although firmer markets have produced a big improvement in the housebuilding division. Including a full first-time contribution from Mallerstang, Lilley looks capable of making something over £14m pre-tax in 1983.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock *Exchange. Such meetings are usually* held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions *shown below are* based mainly on last year's timetable.

TODAY

Finals—Allebone, Gaskell Broadloom, Helene of London, Newmarket Co (1981), Photax (London), Scottish Northern Investment Trust, Stylo.

FUTURE DATES

Interims—

Grand Metropolitan	May 18
Morland	May 25
North British Properties	Apr 27
Royal Bank of Scotland	May 5
TR Australia Investment Trust	Apr 27

Finals—

Ayrshire Metal Products	May 6
Boosey and Hawkes	Apr 28
Gates (Frank G.)	May 23
JSD Computer International	May 12
Marks and Spencer	*May* 4
Runciman (Walter)	May 17
Sound Diffusion	May 5
United Friendly Insurance	Apr 25

Progress indicated by Neil & Spencer

Neil & Spencer, maker of laundry, dry cleaning and air control equipment, recovered to a profit at the trading level to finish the year, to the end of November last, with taxable losses down from £1.46m to £746,000. Sales were up from £25.6m to £27.9m with a five per cent upturn in volume.

Mid-year the loss was cut from £916,000 to £606,000.

Trading in the current year shows "great improvement," the company states.

There is still no dividend. The last was a total 2.1p paid for 1979/80, when the group dived from a record £1.74m profit to a £284,251 loss.

The gain at the trading level for 1981-82 was from a £197,000 loss to £145,000 profit. Lower interest rates on a little changed net debt reduced interest costs from £1.08m to £891,000. In the previous year there had been an exceptional loss of £170,000.

Mr Stephen Proctor, the chairman, says that the pre-tax result "indicates progress towards recovery and the increase in sales confirms the on-going demand for our laundry and dry cleaning machinery.

"The fall in the value of sterling will be helpful in securing an improved and more profitable share of both the UK and overseas markets for this type of machinery," he says.

After a tax charge of £10,000 (£29,000 credit), the loss per share emerges at 5.8p against 14.6p. Extraordinary debits of £145,000 (£242,000) leave the attributable loss down from £1.73m to £883,000.

The extraordinary costs relate to re-organisation which over the past two years has cut the UK workforce from 1,000 to 640, bringing the total down to 900.

● comment

A year ago Neil and Spencer, which had been hit by German competition because of the strength *of sterling against a* deutchmark, made an emergency one-for-two rights issue and shares fell to the 12p offer price. The *issue* was 63 per cent undersubscribed. The £½m raised went to ease borrowings which had pushed gearing to 93 per cent. At *around 78 per cent gearing still* remains uncomfortably high but disposals, possibly of all activities but laundry and dry cleaning equipment manufacture, together with better cash flow should bring the level down in the current year. Though the company is optimistic about the effects of a weaker sterling even without this it appears in a better condition to compete with its lower cost base and more sophisticated products. The problem for the group has been the durability of its existing products which have allowed its main customers to delay reinvestment decisions. The UK hospital service which normally takes 70 per cent of UK output — half group sales are overseas—is still holding back on orders while its operations are reviewed and there is unlikely to be a pick up here until 1984. For the current *year the group must look to* better margins with some room for price increases and efforts to expand its share of overseas business. At present it holds 15 per cent of a world market worth up to £200m a year. After yesterday's announcement shares were unchanged at 16p capitalising the group at £2.4m.

Scottish Mortgage pays more

LITTLE CHANGE has been shown in pre-tax profits at Scottish Mortgage Trust for the year to end of March 1983. The taxable *surplus* came to £6.15m against £6.19m previously although gross investment income moved sharply ahead from *£7.71m to £12.27m.*

Tax amounted to £2.2m compared with *£2.27m.* Earnings per 25p share were shown as 5.39p (5.33p) and the total dividend is being lifted from 5.3p to 5.8p net with an increased final of 3.3p (2.8p).

The directors decided to recommend a total dividend of 5.8p, even though this was not fully covered by earnings, because present indications are that earnings for the current year will be not less than about 6.2p.

The net asset value rose by 60 per cent to a record 331.3p. It is estimated that not less than 15p of this was attributable to the success of activities earlier in the year.

During the early part of the year, the company increased its investment in dollar bonds to $45m and increased the related borrowings to a similar amount. At the year end these bonds were showing a capital appreciation of about 20 per cent in dollar terms, the gain being enhanced in sterling terms by the relative strength of the dollar.

In October, the company issued £20m of 8-14 per cent stepped interest debenture stock 2020, with *£5m of the proceeds* being used to repay a bank loan and with £15m being invested in equities at home and abroad. As *the major markets in which the* company is invested have risen appreciably since the time of the issue, this operation to increase the company's gearing has proved beneficial.

In December £30m was borrowed to invest in yen bonds. To *date the effect of this operation* has been neutral, but the expectation remains that the yen will appreciate in terms of the dollar.

Casket says first half advance is 'encouraging'

ON SALES [illegible] to £10.57m, pre-tax profits at S. Casket (Holdings), clothing distributor and retailer, showed a modest increase from £256,000 to £281,000 in the half-year to December 31 1982. The interim dividend is unchanged at 0.5p net—last year's total was 1.75p from pre-tax profits of £425,000. There is a waiver on 400,000 shares.

The directors say that in view of the continuing *difficult* trading conditions, particularly in the retail and textile fields, these results must be looked upon as most encouraging. They say vigorous steps have been taken to eliminate loss-making units in the retail division. The company hopes this can be satisfactorily completed within the next 12 months.

The board is concentrating *its* efforts on the distribution division, which is the group's main profit centre. The Belfast warehouse has been so successful since its opening last year that the company is now having a larger purpose-built unit constructed which will be trading in the Summer.

Octopus Publishing

The application *list* for the Octopus Publishing Group offer for sale by tender opened at 10 am yesterday and closed at *10.01 am.*

The offer has been oversubscribed. A further announcement giving the striking price and basis of allocation will be made in due course.

EMRAY

Emray is to pay £893,000 for the acquisition of Blue Bell Garages (Middlesbrough). Due to an agency error the consideration was incorrect in yesterday's report.

Horace Cory improves to £367,697

An increase in pre-tax profits from £206,169 to £367,697 has been shown by Horace Cory for 1982. Turnover of this chemical colour manufacturer improved from £2.46m to £3.24m. The year's dividend has been raised.

At the halfway stage pre-tax profits rose from £85,000 to £203,000 and directors were hopeful that the improvement would continue in the secondhalf.

Earnings per 5p share were shown as 2.04p (2.02p). The final dividend is being lifted from 0.7p to 0.8p giving a higher net total of 1.4p against 1.1p.

At the trading level profits moved sharply ahead from £170,609 to £331,649. Pre-tax profits were struck after interest receivable of Y36,048 compared with £35,560.

Tax amounted to £177,101 (£16,738).

Directors' commission of £9,107 and staff bonus of £28,000 for 1982 have been charged in the accounts together with commission and bonus for 1981 which paid in 1982.

In earlier accounts only the amounts of commission and bonus actually paid in the year were charged. If the previous basis of dealing with these items had been adopted in 1982 the profit before tax would have been increased by £37,107.

BIDS AND DEALS

Panel blocks Canadian bid for Marinex Petroleum

BY CHARLES BATCHELOR

THE CITY Take-over Panel has stepped in to block the proposed bid from Canada Northwest Energy for Marinex Petroleum, a UK oil and gas exploration group.

The Panel has refused to approve a conditional agreement between two of Marinex's directors, both from the U.S., which would have given Canada Northwest control of their shareholdings amounting to 50 per cent of the company's equity.

Canada Northwest, which followed its announcement of this agreement with the proposal to make a tender offer for the rest of the shares, said it would now make no offer for the time being.

However, discussions between the company and the two directors, Mr John C. Kinard and Mr Andrew R. Fish are continuing, it said yesterday.

The Take-over Panel stepped in because under the City's takeover code no person may acquire a stake of more than 30 per cent in a company before announcing that he is making an offer, unles it has been recommended by the target company's board.

"Canada Northwest consulted us and we said 'You cannot do that over here'," said Mr John Hignett, director-general of the Panel. "Their initial announcement jumped the gun. This came about because people were in different parts of the world."

Mr Fish holds 6.76m of Marinex's 27m shares while Mr Kinard holds a further 6.75m. Dealings in the shares, which take place under Rule 163 (3), resumed yesterday at 60p, valuing the company at £16.2m. It had been suspended earlier at 65p.

The largest shareholder in Marinex is Mr Dan W. Williams, the managing director and a U.S. citizen.

Marinex has interests in areas in southern England, including the Humbly Grove discovery, the Republic of Ireland and Northern Ireland, Spain and the U.S.

Canada Northwest is based in Calgary, and is also active in the southern U.S., Spain, Italy and Australia.

Rowton sells Birmingham hostel

BY DAVID DODWELL

Rowton Hotels, the hotels to hostels group, has exchanged contracts to sell its Birmingham hostel, Parkview House, for £500,000. It did not disclose the buyer.

The sale forms part of a policy outlined six months ago to sell its four hostels—three in London and one in Birmingham, mainly providing beds for men who are jobless or homeless—and concentrate on its proper hotel operations.

Rowton said that Parkview House had earned an attributable pre-tax profit of £76,000 in 1982, and that the sale price was well above the book value of £212,435.

Funds from the sale are to be used to reduce short-term borrowings, the balance being placed on deposit "pending redeployment." This may be in upgrading existing hotels, and in new hotel acquisitions.

The company is currently discussing the sale of its three London hostels with various London local authorities—Arlington House in Camden, Rowton House in Vauxhall, and Tower House in Whitechapel

CAI—doubts over counter bid

BY DAVID DODWELL

MR DAVID WICKINS, who is spearheading the £23.75m Dowable consortium bid for Cope Allman International, yesterday launched what may be his final assault on the company by pouring doubt on suggestions that a "white knight" will emerge to make a higher counter-offer.

At the same time he revealed that Dowable, which was set up specifically to mount a 60p-a-share bid for the leisure, packaging and engineering group, had attracted acceptances representing 21.94 per cent of Cope's shares by the time of the second closing date on Wednesday.

The offer will remain open until next Wednesday, "but will not be extended beyond that date unless Dowable is in a position to declare the offer unconditional," a statement to shareholders said.

"The current share price of Cope Allman is sustained above 60p by the hope that Hollis Brothers (of which Mr Robert Maxwell is chairman) will make a higher offer than Dowable," Mr Wickins said. "I doubt whether any offer will in fact be made."

Mr Maxwell disclosed last week that he had acquired a 7.65 per cent stake in Cope Allman at prices ranging from 62½p to 65½p. He also revealed that he has held a "preliminary meeting" with executives of Cope Allman. But he has refused to clarify whether or not he intends to mount a bid for the group.

Mr Wickins wrote to shareholders: "In the absence of any formal offer from Hollis, your share price would fall back below the level of 60p. On the stock market, Cope Allman shares slipped 3½p to end the day at 60p.

For Cope Allman, Mr Michael Doherty, the chief executive, said he did not plan to issue any further statements to shareholders: "They have already been bombarded with information," he said. "But they should take account of the recovery in our profits. We think the recovery has arrived, and is going to continue apace."

Harrods top management advise against demerger

TOP managers at Harrods, the Knightsbridge department store which Lonrho wants seaparated from the House of Fraser group, have written to shareholders telling them "Harrods should not be demerged from House of Fraser."

The 15 managers, led by Mr W. A. Craddock, chairman and managing director of Harrods, say "when the idea of a demerger was first raised it seemed that there might be some merit in Harrods 'going it alone,' but as we studied the various proposals and started to examine all the possibilities we became convinced that to demerge Harrods from the rest of House of Fraser would be wrong for Harrods, the shareholders and the staff."

The managers say that Harrods "is unique . . . the uniqueness of Harrods is its magic, but it must be guarded carefully. Once lost, whether by attempting to create replicas of Harrods or by the indiscriminate use of Harrods name, the magic would vanish. The scope for expansion of Harrods is therefore more restricted than certain uninformed comment would suggest."

They add: "Harrods benefits from being a part of the House of Fraser group, the leading department store group in this country." It also gains from "invaluable market information and trading data as well as from the economies of shared services with the rest of the group."

Surmah agrees higher bid

Agreement has been reached on the terms of a recommended increased offer to be made for Surmah Valley Tea. This is on the basis 39 new Rightwise ordinary plus £85 nominal of new Rightwise 12 per cent loan stock 1983-85 for every 100 existing shares in Surmah or the equivalent thereof.

The recommended offer represents an increase over the offer made on April 12 of £5 nominal of new Rightwise loan stock for every 100 existing shares in Surmah. The cash alternative and rights of election under the original offer will be available until the first closing date of the recommended increased offer.

Sime Darby has irrevocably undertaken to procure acceptance of the offer in respect of its holding of 327,000 existing Surmah shares (40.9 per cent) or their equivalent following the capital reorganisation. The shares are held by Sime Darby and its subsidiaries.

Persons acting in concert with Rightwise, including certain directors of Rightwise, holding in aggregate 311,999 existing Surmah shares (39 per cent) have indicated that they intend to accept the offer.

Acceptances received to date in respect of the offer amount to 3,737 Surmah shares (0.5 per cent), which excludes shares subject to the irrevocable undertaking.

IC GAS U.S. DEAL

Imperial Continental Gas Association has acquired a controlling interest in Amcana Oil Corporation, an exploration and production company based in Oklahoma for $1.5m (£0.97m).

IC Gas, through its subsidiary, IC Gas Denver, has bought 87 per cent of the equity of Amcana, which has about 90 producing oil and gas wells in the U.S.

UDS GROUP

Hanson Trust purchased on April 20 through a wholly owned subsidiary 1.5m ordinary stock units in UDS Group at 133½p, bringing the total holdings to 25.25m stock units (13.24 per cent).

NO PROBE

The proposed merger of the automotive electronics interests of Lucas Electrical and Smiths Industries is not to be referred to the Monopolies and Mergers Commission.

ICI MARLEY

Imperial Chemical Industries and Marley have completed negotiations to merge the activities of their respective subsidiaries, ICI Hyde Products and Wallington Weston & Company. The new company, Weston Hyde Products will be 49 per cent held by Marley, 45 per cent by ICI with Barclays Merchant Bank holding the remaining 6 per cent.

MANSON FINANCE

The Manson Finance Trust Group's banking services division, Edward Manson and Co, a licensed deposit taker, has linked up with Manson Agricultural Finance to make available finance for the acquisition of agricultural leased assets for corporate and non-corporate lessors.

SHARE STAKES

Wm Low and Co—Provident Mutual Life Assurance Association has become the beneficial holder of 510,000 ordinary shares (5.51 per cent).

Securicor Group—J. J. Delaney, a director, has disposed of 50,000 "A" non-voting ordinary shares.

Elswick-Hopper—Arthur Foxton Blacker, a director, has disposed of 64,400 ordinary shares, reducing holding to 593,934 (1.57 per cent).

Telephone Rentals—Prudential Corporation Group of Companies' holding has fallen below 5 per cent.

Allied Lyons—J. R. N. Thompson, a director, has exercised an option over 5,156 ordinary shares.

BANK RETURN

	Wednesday April 20 1983	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	38,085,447	+ 1,032,984
Bankers Deposits	572,546,444	+ 81,121
Reserve and other Accounts	1,992,860,098	— 64,578,499
	2,618,045,985	— 63,514,394
Assets		
Government Securities	475,276,952	+ 48,091,712
Advances & other Accounts	1,273,978,069	— 12,358,007
Premises Equipment & other Secs.	858,007,358	— 94,571,777
Notes	9,876,768	+ 539,154
Coin	906,835	+ 784,524
	2,618,045,985	— 63,514,394
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	11,130,000,000	— 100,000,000
In Circulation	11,120,123,232	— 100,539,154
In Banking Department	9,876,768	+ 539,154
Assets		
Government Debt	11,015,100	—
Other Government Securities	4,060,218,073	— 120,400,231
Other Securities	7,058,766,827	+ 20,400,231
	11,130,000,000	— 100,000,000

MINING NEWS

Anglo's OFS gold mines boost interim payments

BY KENNETH MARSTON, MINING EDITOR

SHARPLY increased interim dividends for the year to September 30 are announced by the Orange Free State gold producers in the Anglo American Corporation group. For the most part they are at the top end of expectations and even better in some cases.

Western Holdings shows up particularly well with an interim of 355 cents (209p) which compares with 210 cents a year ago and the subsequent final dividend of 270 cents. President Brand comes out well with an interim of 290 cents against 210 cents as does President Steyn with 280 cents against 175 cents.

Welkom reaches best estimates with an interim of 91 cents against 52.5 cents while Free State Geduld is about in line with the more optimistic forecasts at 240 cents against 160 cents. On the other hand a final of 35 cents from Ergo to make a total for the year to March 31 of 62.5 cents against 110 cents is below many expectations.

The latest payments are compared in the following table:

	April cents	Oct cents	April cents	Oct cents
ERGO	35	*27.5	50	*60
F.S. Geduld	*240	150	*160	245
Pres. Brand	*290	225	*210	300
Pres. Steyn	*280	205	*175	245
W. Holdings	*355	270	*210	350
Welkom	*91	71	*52.5	90

* Interim.

As with the rest of the South African gold mines, the Anglo producers enjoyed an average increase of 5 per cent to R16,209 per kilogramme in the March quarter. Most of the forward sales contracts that were still in force at end-December were closed during the quarter and, interestingly, there have been no further forward sales.

GOLD PRICE RECEIVED (R per kilogramme—$ per ounce):—

	Qtr ended March 31	Qtr ended Dec 31
ERGO	R15,974 ($460)	R15,322 ($422)
Elandsrand	R16,290 ($469)	R15,322 ($431)
Free S. Geduld	R16,167 ($465)	R15,558 ($430)
President Brand	R16,286 ($468)	R15,458 ($428)
President Steyn	R16,254 ($468)	R15,380 ($426)
S. A. Land	R15,950 ($468)	R15,328 ($422)
Vaal Reefs	R16,330 ($469)	R15,283 ($418)
Western Deep	R16,184 ($486)	R15,300 ($419)
Western Hldgs	R16,157 ($465)	R15,403 ($426)

It is also notable that the mines have been able to contain unit costs, the average rise cost per tonne of ore milled rising only 1 per cent to R49.49. Unlike the gold mines in some other groups the Anglo producers generally increased their capital spending in the period.

Exceptionally, Vaal Reefs reports reduced capital spending, a factor in the increased tax charge. Costs were reduced and operating profits increased during the quarter, but they were lower at the net level owing to the fact that no dividend was due on the latest occasion from Southvaal coupled with a fall in uranium income and the higher tax charge.

In addition royalties payable to Southvaal rose to R59.9m from R49.3m in the previous quarter.

Vaal Reefs states that the feasibility study of a 120,000-tonnes per month mill and carbon-in-pulp treatment plant has been approved. The construction of the additional milling and treatment facilities for completion by end-1984 is expected to cost R80m (£35.4m) and forms part of an overall expansion programme for the Vaal Reefs complex.

The total cost of this is put at £178m to be spent during the years 1983 to 1987. Of this R138m will be spent on the south lease area and the rest on the north lease. These amounts are to be funded from earnings.

A disappointing net profit from Western Deep reflects reduced production coupled with higher costs and an increased tax liability.

Sinking operations at the No 1 shaft system have been hampered by continued intersections of water in cover drilling and the likely delay to commissioning is being evaluated.

The new shaft system is to be used to mine the Ventersdorp Contact reef in ground south of the mine's lease boundary. The "new mine" was scheduled to come into production in 1986 and reach full output in 1992.

Free State Geduld has had a good quarter. Gold output increased despite a reduction in grade while net profits have been boosted by a lower tax charges as a result of increased capital expenditure. Similar factors were at work in the case of Western Holdings. Lower tax has helped Ergo. Net profits for the latest quarter are compared in the following table:

	March qtr R000	Dec qtr R000	Sept qtr R000
ERGO	17,018	19,892	20,316
Elandsrand	23,064	23,590	19,342
F. S. Geduld	32,281	23,948	43,891
Pres. Brand	42,419	24,224	34,894
Pres. Steyn	30,387	29,818	28,632
S. A. Land	1,985	1,823	1,320
Vaal Reefs	68,125	110,024	71,771
W. Deep	47,382	68,168	61,885
W. Holdings	39,831	33,807	53,203

Transatlantic tide is turning

ALTHOUGH they are by no means out of the wood yet, the transatlantic natural resource majors are at least finding the going easier in line with the emerging economic recovery. This is made clear when the results now being reported for the first quarter of this year are compared with those for the final quarter of 1982.

A good example of this is given by the first quarter results of Amax, the diversified U.S. mining giant. A net loss of $48.7m (£31.5m), or 84 cents per share, for the quarter may bring a shudder, but not so much as did the loss of $244.5m reported for the final quarter of last year which brought the total 1982 loss to $390m.

Bravely, Amax says that the cash flow continued to be positive in the quarter thanks to the company's austerity measures. And it adds that although the pick-up in the company's business usually tends to lag behind the general business recovery, "improving prices and sales for metals indicate that Amax is beginning to benefit from economic recovery."

From Canada, the Rio Tinto-Zinc group's Rio Algom, announces net earnings of C$6.05m (£3.57m), or 36 cents per share in the first quarter of this year which compare with C$9.14m in the same period of 1982, but they are considerably better than the C$3.59m earned in the final quarter of 1982.

Rio Algom's steel operations continued to make a loss but, as already reported, the 68.1 per cent-owned Lornex copper and molybdenum-producing subsidiary, moved from severe losses to a modest profit in the quarter. Rio Algom is maintaining its half-yearly dividend of 75 cents.

The major U.S. copper producer, Phelps Dodge, is still losing money but the loss of $19.1m (£12.4m) announced for the first quarter of this year is well down on the $19.1m loss of the same quarter of 1982 and also less than the $9.5m loss in the final quarter of 1982.

Matters have been helped by the cost savings implemented throughout the company and, to a lesser extent, improved copper prices. In fact, the copper and other primary metal operations achieved modest operating profits in the quarter as did the manufacturing division.

Pheips' copper production was running at about 75 per cent of capacity during the quarter but the company has decided to reopen its Tyrone mine in New Mexico on May 2 with the result that all of its copper mines will again be in production; last April the weakness of copper prices forced the company to close down all its copper mines together with its three smelters in Arizona.

Canada's second largest nickel producer, Falconbridge, has lost C$22.1m in the first quarter of this year compared with a loss of C$29.3m in the fourth quarter of 1982, the latest loss partly reflecting the fact that all the company's income tax credits have been exhausted.

Even so, Mr William James, the chairman, has told the annual meeting in Toronto that nickel sales are now being made at higher prices, pointing out that the nickel market has improved substantially over the past five months.

He also said that the company's "restraint programme" has cut the cost of producing nickel by 25 per cent and with the recent resumption of operations at Sudbury, Ontario, the company's nickel output should rise to about 58m lb from 36.1m lb in 1982.

Mr James thus expects the company to return to profitability by the fourth quarter, but this will still leave an overall loss for the full year.

From Vancouver, Cominco reports that its loss for the first quarter of this year increased to C$19m from C$14m in the fourth quarter of 1982 which brought the total loss for the year to C$31.2m, the first yearly loss since 1932.

Although the prices realised for lead and zinc in the latest quarter were lower, those of gold and silver showed a substantial increase with the result that the operating loss narrowed. Other operations did less well and interest charges increased in line with higher borrowings and the inclusion of interest expense from the new Polaris lead-zinc mine in the Arctic.

Finally, the uranium, oil and gas and potash-producing Denison Mines has borne out the forecast of a better first quarter made earlier this year at the Toronto meeting by Mr Stephen Roman, the chairman. Net profits for the quarter have advanced to C$22.9 from C$7.3m in the same period of last year when the total reached C$50.6m.

Palabora's interim

THE RTZ group's 39 per cent-owned South African copper producer Palabora announces an unchanged first interim dividend for 1983 of 10 cents (6p) a share. In 1982 Palabora paid dividends totalling 60 cents, made up of first and second interims of 10 cents, a third interim of 17.5 cents and a final of 22.5 cents.

Palabora's copper production during the March quarter increased to 31,850 tonnes compared with 31,780 tonnes in the December quarter and 19,331 tonnes in the March quarter of last year when the smelter refinery and continuous rod casting plant were closed for most of March for routine maintenance.

Copper sales exceeded production during the latest quarter because some consignments schduled for delivery late in 1982 were shipped in January as a result of changes in sailing dates.

The average copper grade rose to 0.53 per cent from 0.50 per cent over the three-month period.

BASE LENDING RATES

A.B.N. Bank	10 %	Grindlays Bank	‡10 %
Al Baraka International	10 %	■ Guinness Mahon	10 %
Allied Irish Bank	10 %	■ Hambros Bank	10 %
Amro Bank	10 %	Heritable & Gen. Trust	10 %
Henry Ansbacher	10 %	■ Hill Samuel	§10 %
Arbuthnot Latham	10 %	C. Hoare & Co.	†10 %
Armco Trust Ltd.	10 %	Hongkong & Shanghai	10 %
Associates Cap. Corp.	10 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	10½%
Bank Hapoalim BM	10 %	Lloyds Bank	10 %
BCCI	10 %	Mallinhall Limited	10 %
Bank of Ireland	10 %	Edward Manson & Co.	11½%
Bank Leumi (UK) plc	10 %	Midland Bank	10 %
Bank of Cyprus	10 %	■ Morgan Grenfell	10 %
Bank Street Sec. Ltd.	10½%	National Westminster	10 %
Banque Belge Ltd.	10 %	Norwich Gen. Tst.	10 %
Banque du Rhone	11 %	P. S. Refson & Co.	10 %
Barclays Bank	10 %	Roxburghe Guarantee	10½%
Beneficial Trust Ltd.	11 %	Royal Trust Co. Canada	10 %
Bremar Holdings Ltd.	11 %	Slavenburg's Bank	10 %
Brit. Bank of Mid. East	10 %	Standard Chartered	‖10 %
■ Brown Shipley	10½%	Trade Dev. Bank	10 %
Canada Perm't Trust	11 %	Trustee Savings Bank	10 %
Castle Court Trust Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	Volkskas Intl. Ltd.	10 %
■ Charterhouse Japhet	10 %	Westpac Banking Corp.	10 %
Choulartons	11 %	Whiteaway Laidlaw	10½%
Citibank Savings	¶10 %	Williams & Glyn's	10 %
Clydesdale Bank	10 %	Wintrust Secs. Ltd.	10 %
C. E. Coates	10½%	Yorkshire Bank	10 %
Comm. Bk. of N. East	10 %		
Consolidated Credits	10½%		
Co-operative Bank	*10 %		
The Cyprus Popular Bk.	10 %		
Duncan Lawrie	10 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	10½%		

■ Members of the Accepting Houses Committee.
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1982-83 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	134	—	6.4	4.8	7.8	10.2
158	117	Ass. Brit. Ind. CULS	150	—	10.0	6.7	—	—
74	57	Airsprung Group	62xd	— 1	6.1	9.8	17.7	17.7
46	30	Armitage & Rhodes	30	—	4.3	14.3	3.3	5.9
318	197	Bardon Hill	318	+ 2	11.4	3.6	13.3	16.8
143	100	CCL 11pc Conv. Pref.	143	—	15.7	11.0	—	—
270	210	Cindico Group	210	—	17.6	8.4	—	—
86	52	Deborah Services	52	—	6.0	11.5	3.4	9.3
97	77	Frank Horsell	97	—	—	—	8.1	8.7
95½	75½	Frank Horsell Pr Ord 87	95½	—	8.7	9.1	10.8	11.4
83	61	Frederick Parker	62	—	7.1	11.5	3.9	6.2
55	34	George Blair	34	—	—	—	5.8	12.3
100	74	Ind. Precision Castings	78	—	7.3	9.4	10.0	12.6
163	100	Isis Conv. Pref.	163	+ 1	15.7	9.6	—	—
144	94	Jackson Group	144	+ 1	7.5	5.2	4.4	9.2
210	111	James Burrough	210	+ 2	9.6	4.6	16.3	17.0
260	148	Robert Jenkins	152	—	20.0	13.2	1.7	24.1
83	54	Scruttons "A"	71	—	5.7	8.0	9.2	11.1
167	112	Torday & Carlisle	115	—	11.4	9.9	5.2	8.8
29	21	Unilock Holdings	25½	—	0.46	1.8	—	—
85	64	Walter Alexander	67	—	6.4	9.6	4.8	6.5
270	214	W. S. Yeates	265	+ 1	17.1	6.5	4.1	8.5

Prices now available on Prestel page 48146.

UK COMPANY NEWS

Supra into the red after £0.5m provision

AFTER AN exceptional provision *of £471,121, Supra Group reports* a loss of £62,868 for the year to the end of November 1982, compared with profits of £887,727.

The directors says the provision follows excessive delays in collecting export debts and the practice of some foreign governments in withholding funds. They believe it to be prudent to provide against long-term export debts previously considered to be good.

Also the need for product rationalisation in the components division, when viewing the circumstances in the market place, has led the directors to make provisions against certain stock holdings.

On sales ahead from £9.86m to £10.11m, profits of £406,383 against £887,727 were shown at *the operating level by this manufacturer* of motor components, noise control products and paints.

The final net dividend has been effectively lifted from 1.136p to 1.19p which raises the total from the equivalent of *1.818p to 1.9p, after allowing for* last year's 1-for-10 scrip. Earnings per 10p share were shown as falling from 2.31p to 0.22p.

The group continues to experience the difficulties of fluctuating demand in the UK, say the directors. Despite this *"the current buoyant position of* the UK vehicle manufacturers" is resulting in a "very satisfactory" increase in volume and, *in this area,* the group is the main supplier of sound deadening systems.

The directors also point out that the components division started the year exceptionally well and output in the replacement market for the first quarter is ahead of last year despite intense competition for market share.

There was a tax credit of £116,760 compared with a previous charge of £179,418. Minorities took £26,557 this time.

Bardsey £250,000 in loss but improving trend seen

Bardsey, with interests in hand tool manufacture and distribution, furniture and property, moved back into the black in the second half of 1982 but at the pre-tax level the group still finished the year £250,000 in the red, compared with profits of £842,000 for 1981 — midyear losses totalled £387,000.

It is pointed out that the previous year's figures included £750,000 from share and property dealing.

Loss per 10p share for the year under review emerged at 1.80p (2.27p earnings) and a nominal 0.1p dividend is being paid, against 0.3p previously.

The directors say management at the operating companies has been strengthened and signs are that trading is beginning to improve. They add that benefits of further cost reductions should be seen in 1983.

The three main industrial companies all ended 1982 on a profitable basis despite the recession.

Group turnover rose from £22.04m to £34.7m and after cost of sales at £25.13m (£15.65m) there was a *gross profit of* £9.57m, against £6.38m.

Pre-tax figures were struck after deductions of £2.47m (£1.40m) for distribution costs, £5.92m (£4.07m) for administration expenses, £1.09m (£503,000) for interest payable and similar *charges and adding £409,000* (£365,000) from other operating income, £223,000 (£221,000) from fixed asset investments and £28,000 (£38,000) from interest receivable and similar income.

There was a tax credit of £28,000 (£60,000) and extraordinary debits of £963,000 (£155,000). Minorities accounted for £4,000 (£10,000) to leave the attributable loss at £1.19m (£737,000 surplus).

Turnover of the industrial division for 1982 increased from £15m to £33m *reflecting a full* year's contribution of the two major acquisitions, London and European Group and RCF Holdings, in 1981.

The extraordinary item was made up of reorganisation and redundancy costs and a provision *against a fall in market value of* the long-term investments in Newman Industries and Westfort Petroleums.

Assuming conversion of the convertible preference shares the fully diluted net asset value of the ordinary shares is 19.2p.

• comment

Bardsey's struggle to improve the quality — and quantity — of its earnings, has proved more painful and drawn out than it had hoped. But patient backers of this possible recovery stock should not despair. Bardsey has succeeded in reducing its reliance on property with turnover *from the industrial division* more than doubling to £33m against just 2m from property. The increase came mainly from London and European Group and RCF Holdings, acquired in 1981. They both are in the distribution of hand tools and this seems to be the area where Bardsey is likely to look for further expansion. Bardsey has been conservative in its accounting, writing down its investments in Newman Industries and Westfort Petroleums. The share price is 11p at a useful discount to the fully diluted net asset value per share of 19.2p. A nominal dividend of 0.1p is proposed.

Harold Perry falls to £3.2m

IN WHAT is described as the *most difficult trading year since* the company went public some 10 years earlier, 1982 pre-tax profits of Ford main dealer Harold Perry Motors, dropped from £3.72m to £3.16m.

Profits from new car sales, hard hit by extreme *price-cutting* competition, were down by one third. Overall group sales rose marginally from £99.06m to *£100.77m in the year.*

In September, reporting unchanged taxable profits of £1.58m, the directors said that the "phenomenal" concentration in August of new car registrations was shared by the group. But in the absence of any clear signs of a general business upturn it was difficult to foresee profits in the second half equalling those of 1981.

For the first quarter of 1983, pre-tax profits of £1.09m were marginally below last year's £1.12m which were boosted by Ford's successful sales campaign for transit vans.

Mr J. F. Macgregor, the chairman, says the continuing competitive pressure on profit margins from sales of new cars effectively eliminated the increased profits which group sales, 19 per cent higher in volume, should have yielded.

Although any general post-recession recovery in business activity is still awaited, he says present trends indicate improved profits for 1983 from truck sales, spare parts, used cars, and the group's hire purchase company.

While profits in 1982 from new car sales declined, commercial vehicle sales produced 50 per cent more than in 1981. The group's other trading activities provided 70 per cent of total profits with higher contributions from vehicle leasing (up 228 per cent), self-drive hire (up 18 per cent) and accident repairs (up 18 per cent).

Car and truck service and repair operations continued to operate well below capacity with *profits slightly down, although* the important spare parts business maintained the much improved profitability achieved in 1981.

The dividend for the year is maintained at 3.75p net per 25p share, with a same-again final of 2.25p. Stated earnings per share, before extraordinary items, dropped from 13.4p to 12.6p.

The year's tax charge was reduced from £1.3m to £890,000, giving a net balance of £2.27m, compared with £2.42m. After an extraordinary debit of £80,000 (£166,000)—being goodwill on acquisition, written off—and dividends of £676,000 (same), the retained *surplus* emerged at £1.51m (£1.58m).

Harris Queensway

In connection with the rights issue of 9,704,334 new ordinary 20p shares of Harris Queensway acceptances have been received in respect of 9,599,211, representing 98.92 per cent.

The remaining 105,123 shares have been sold in the market at an average net price of 62.32p.

Bentalls shows recovery in the second six months

AN IMPROVEMENT in trading towards the end of the second six months enabled department stores group Bentalls to more than make up the £171,000 first-half profits shortfall and finish the year to January 29 1983 with £2.11m pre-tax, an increase of £75,000 over the previous year's figure.

The directors, who forecast the recovery in their interim statement, say the upward trend in sales experienced in the second half has continued and turnover to date in the current year is running 12 per cent higher than the comparable period of 1982-83.

They are raising the final dividend from 1.2p to 1.3p which makes a net *total of 1.8p* per 10p share, compared with a previous 1.5p—the company has "close" status.

Group sales for the year under review expanded from £47.52m to £53.04m, excluding VAT. Trading profits came through at £2.33m (£2.03m) from which interest took £220,000 (added £8,000).

A higher tax charge of £897,000, against £485,000, and extraordinary credits of £87,000 (£70,000) left the available balance at £1.3m, compared with £1.62m for earnings per share of 2.9p (3.71p).

Profits retained totalled £629,000 (£990,000) after dividend payments of £669,000 (£628,000).

SI Group well ahead in line with forecast

As forecast at the AGM in December, first-half profits of the SI Group, formerly Spencer Gears (Holdings), more than doubled, the pre-tax figure emerging at £426,000, compared with £195,000 for the same period last year.

The net interim dividend for the six months to end-December 1982 is raised to 0.375p (0.3p).

The continuing improvement was due to a steady growth of turnover and profit at both Southern Industries (Croydon) and SI Coolers, group subsidiaries.

The benefit of the disposal of Spencer Gears together with its losses was also quite apparent.

Current high order books and production levels should ensure a "very satisfactory result" for the *full* year, the directors state.

First-half turnover moved ahead to £3.83m (£3.61m). Interest charges took £114,000 (£151,000) and tax £103,000 (£39,000).

Stated earnings per 5p share amounted to 1.77p (0.85p).

Listing cancelled for six companies

Stock Exchange listing was cancelled yesterday for six companies which *have gone into* liquidation over the past four years.

The companies involved were Brittains and Anderson Rubber, both of which collapsed in 1979, and Brigray, Blackman and Conrad, Airfix and Burrell, all of which came to *grief* in 1981.

In all cases, the Inland Revenue said that shares had become negligible for the purposes of capital gains tax.

Dillmay receivers

Following a request from the directors of Dillmay Filling Stations, Dillmay (Penarth), Harvey Dillmay and Erskine Motors (Gosport), Mr Peter Padmore and Mr Colin Bird of accountants Price Waterhouse have been appointed receivers.

The companies own a chain of petrol filling stations located in the Midlands, Wales and Southern England, with a head office in Portsmouth.

Tate and Lyle's Canadian offshoot $5m in black

FIRST HALF profits at Redpath Industries, the Canadian subsidiary of Tate and Lyle, were C$5.04m against losses of C$2.74m. Of this, C$2.19m came in the second quarter, against losses of C$2.06m in the corresponding period of the previous year. First half revenue was C$3m higher at C$179m.

Both Redpath Sugars and Refined Sugars Incorporated, the company's 50 per cent joint venture in Yonkers, New York, again *performed* well in the second quarter. Their prospects for the second half year remain good, say the directors.

The maize performance continues to be severely affected by the impact of low sugar prices on both margins and volume. Losses of C$1.9m were recorded in the quarter, to bring the loss for the six-month period to C$3.6m.

In the absence of any indication that sugar prices will rise, no significant improvement is *foreseen* during the financial year. The construction programme for the expansion of grind capacity and enriched high fructose corn syrup has been completed within budget.

Ferguson Industrial

The rights issue by Ferguson *Industrial Holdings of* 5,254,328 new ordinary shares of 25p each at 95p per share has been accepted as to 4,642,683 shares, *representing 88.38 per cent of* the issue. The balance has been sold at a premium, which will be distributed to entitled shareholders, except that no payment will be made of an amount of less than £2.

R. Smallshaw

For the 15 months to December 31 1982, R. Smallshaw (Knitwear) made pre-tax profits of £193,405, against £153,154 for the previous 12 months.

The final dividend is 1.25p net making a total of 2.25p for 15 months (1.75p for year). Stated earnings per 10p share were 6.772p (5.376p).

Turnover for the extended period amounted to £8.79m (£5.81m for 12 months). After tax of £24,107 (£18,750) net profits came out at £169,298 (£134,404). Dividends absorb £56,250 (£43,750).

THE PROPERTY MARKET BY MICHAEL CASSELL

An uphill struggle for Trust Securities

FAR FROM establishing a beachhead in its bid for Percy Bilton, Trust Securities has hardly got a fingernail into the foreshore. Acceptances for a measly 0.01 per cent of the Bilton ordinary have been received, it was disclosed yesterday, and the offer has been extended to May 4 "or such later date or dates as Trust Securities may decide."

Trust Securities chairman and chief executive Peter Jones took the rejection as part of the game. "People are looking for a lead from the Bilton family and the Coal Board funds" (44½ per cent of the equity). "and nobody is going to accept on the first time round."

His next move will be to write to Bilton shareholders again early next week. In the meantime he says, in direct contradiction of a poll run by the Bilton side, that he has contacted 85 per cent of the Bilton shareholders and is "very confident" that they will take a positive attitude to his offer in the end.

Something poistive will make a refreshing change in this affair. Bilton's main defence so far has consisted of slinging mud at Mr Jones, his company and its main asset, the £200m. Stockley Park development near Heathrow, reaching a doubtful apogee with its reference to Mr Jones's past.

Jones himself expects in next week's letter to concentrate on what he sees as the deficiencies of the Bilton Board although he promises to be "nowhere near as vitriolic" in his attack.

The whole affair has depressed the Trust Securities price to 81p from 98p on the day of the bid, putting a face value of 247p on the Bilton offer.

Trust is now standing at less *than half the 170p assets per* share estimate which has been made by outside analysts on the back of the Stockley Park development. It could be argued that the best thing for the share price, in the short term, would be for the Bilton bid to fail completely.

Doubts have been cast on the funding prospects for Stockley Park, where the Universities' Superannuation Scheme, one of the biggest funds in the country with assets of £1.3bn and a £170m annual cash flow, has put up £7m for prior works and has an option agreement to advance another £50m.

Sir Kenneth Berrill, deputy chairman of the USS, was firm in his support for the scheme this week: "We are very pleased that it was brought to us and glad that planning has reached an advanced stage: it is a very imaginative development and a marvellous location."

Clearly, Stockley Park and Jones have a future, whatever the result of the Bilton bid.

WILLIAM COCHRANE

Tempting the tenant

APPEARANCES are important in a weak lettings market, so it is not surprising that landlords and their agents are keen to sing about achieved rents when they come within striking distance of the quoted figure.

What they are less happy amout, however, is revealing the other bits and pieces of a package which market conditions might have forced them to offer to a tenant who is holding most of the cards.

Those "bits and pieces" can *currently embrace a long list* of incentives, offering significant reductions in overheads by way of temptation to wavering tenants.

The package can include lengthy rent-free periods, shorter leases, break clauses giving the tenant the opportunity to get out, payment of fitting-out costs and agreements by the landlord to pay his own legal fees (how he ever arranged not to is a remarkable achievement).

Not surprisingly, the extent of the package reflects the relative attractions of the individual property. The industrial market, where executive cars and holidays are being handed over with the keys, is beset with incentives and tenants' expectations of hand-outs are high.

The habit is apparently catching, with MEPC reporting that, in response to an invitation to agents to attend a promotional party for one of its west end London industrial schemes, some have telephoned to see *what they can expect to receive,* merely for turning up.

Talking of MEPC, it appears that even such undoubtedly worthy schemes as the group's Long Acre, Covent Garden, office development is not above the incentives game. It is believed that First National Bank of Chicago, whose name will soon grace the building, has won a six-month, rent-free period on the 65,000 sq ft it is taking. MEPC says that, because of fitting-out times, the tenants might well, however, be paying rent before they move in.

Over at Town & City, Jeffrey Sterling shows surprise at MEPC's generosity and emphasises that his new deal with British Telecom, which is taking 81,000 sq ft in the T & C Shaftesbury Avenue scheme at nearly £15 a sq ft, includes no more than a three-month, rent-free fitting out period. "Even in this market, you've got nothing to worry about with a good building," he says confidently.

Jonathan Edwards at Baker Harris Saunders says six-month, rent-free periods are now increasingly available for major lettings where the landlords get close to the asking rent. There is also evidence that shorter leases—down from the 25-year norm to 20 years—are also occurring more regularly, with insurance company landlords in particular prepared to contemplate the shorter period.

Incentives do not yet enter into the conversation when it comes to one of central London's latest office schemes, *the Prudential Assurance office* development alongside its own *headquarters building in* Holborn.

The 60,000 sq ft building, perched above Chancery Lane underground station at the junction with Grays Inn Road, is nearly complete and De Groot Collis and Jones Lang Wootton are looking for someone to pay rent of £950,000 a year, equating to a little over £16 a square foot, for a 25-year lease with upward-only five-year reviews.

That level of rental compares *very well with figures achieved* in the Holborn area generally but the agents say (they would, wouldn't they?) the building's location and quality justifies the price.

The joint agents report "encouraging interest" and, although they point to the significant number of lettings in the area over the past year, which have reduced the number of large, vacant buildings available, they are well aware that some remain.

For example, a little further along Holborn, at Holborn Viaduct, stands Citicape House, the 63,000-sq-ft Hambro Life office scheme which has been on the market through Richard Ellis since the middle of last year at an asking rent of about £18 a sq ft. Tenants have not exactly been queuing up and they will have an even wider choice on the doorstep later this year when the Trafalgar House office scheme at nearby Plumtree Court, the old Evening *Standard complex, reaches the* market.

Pimlico Appeal

OLDHAM ESTATES has appealed against Westminster City Council's decision to refuse planning permission for an 83,000 square feet office scheme at the junction of Belgrave Road and Gillingham Road, close to London's Victoria station. A date has yet to be set for the hearing.

The rejection was no surprise. Oldham already had residential permission for the site, knew housing was what Westminster wanted and said last September that it was prepared to go to appeal.

Westminster's first two reasons for rejection are along these lines. The planning application is described as contrary to council office policy—the site is outside the "central activity zone," with no special circumstances to justify it; and more residential development is considered desirable.

According to Westminster, the design lacks "architectural quality" and "design sensitivity" and does not make a positive contribution to the character and appearance of this part of the Pimlico conservation area.

Residents must be mulling this over, as they watch Greycoat's massive Victoria station redevelopment in progress a platform's width away and fear for the character of an area which promises so much but which is in danger of being rattled to bits by heavy traffic with no good case for being there.

W.C.

New office scheme for Norwich Union

NORWICH UNION is to develop 90,000 sq ft of offices in Guildford Road, Woking. The scheme, due for completion in early 1985, will cost about £12½m.

The decision follows the purchase, from Woking Borough Council, for part of the council's former site at a price of £5¾m. The freehold site extends in total to nearly three acres and Norwich Union plans to develop a low-rise office scheme around a central courtyard. Donaldsons advised Woking and Jones Lang Wootton will be letting agents.

● *Grosvenor Square Properties,* represented by Anthony Lipton, has let the Grange, an *11,775* sq ft new office building at Hayes, Middlesex, to Prime Computers at close to the asking rent of £115,000 per annum.

● Institutional clients of Allsop and Company have sold the freehold of 36/38 Dean Street in London's Soho to the Post Office Insurance Society, clients of Keith Cardale Groves. The property, bought for £1.2m on a yield of 8.4 per cent, comprises showrooms on the ground floor with offices above, and adjoins an investment already held by the POIS.

● Canada Life Assurance has *paid £1.25m for Lower Mill in* Ewell, Surrey, the refurbished, 9,000 sq ft office scheme let to IEDC (Services), the oil exploration group, at £76,500 a year Mason Phillips acted for Canada Life, which now has a portfolio of over £35m. Richard Ellis acted for Spiers, the developer.

● Another disposal by Capital Counties. Having just sold 34, Old Queen Street, London *SW1 to the W. H. Smith* Pension Trust for £1.25m, Capco has raised £800,000 by selling the long leasehold of a block of shops and adjoining garages at St Georges Court, Brompton Road, SW3. Westminster and Country Properties, advised by Lambert Smith, were the purchasers and Marler & Marler represented Capco.

● Kyle Stewart Properties has won planning permission —to be ratified by the DoE —*for* a 65,000 sq ft superstore two miles from Aylesbury town centre in Buckinghamshire. The store will form the centrepiece for a 35-acre development offering 600,000 sq ft of industrial, high-tech and warehouse space.

● Sainsbury's Homebase, in association with British Rail and Stonechester, a Bath-based property company, has applied for planning permission for a 34,500 sq ft House *and Garden Centre close to* Green Park Station.

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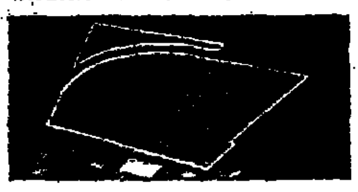

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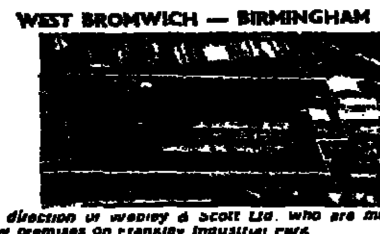

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21-23 Wallgate £10,800 pa

SALTAIRE,
West Yorkshire – 2 Lots
89/91 Bingley Road
totalling £5,050 pa

HEANOR, Derbyshire
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Let to Telefusion Limited
£7,125 pa

ACCRINGTON,
Lancashire
64-64a Blackburn Road
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HUDDERSFIELD,
West Yorkshire 4-6 Kirkgate
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(unless previously sold)

Edward Erdman Surveyors
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with on site parking space for 115 vehicles

Freehold For Sale

with vacant possession

or to be let

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Chartered Surveyors
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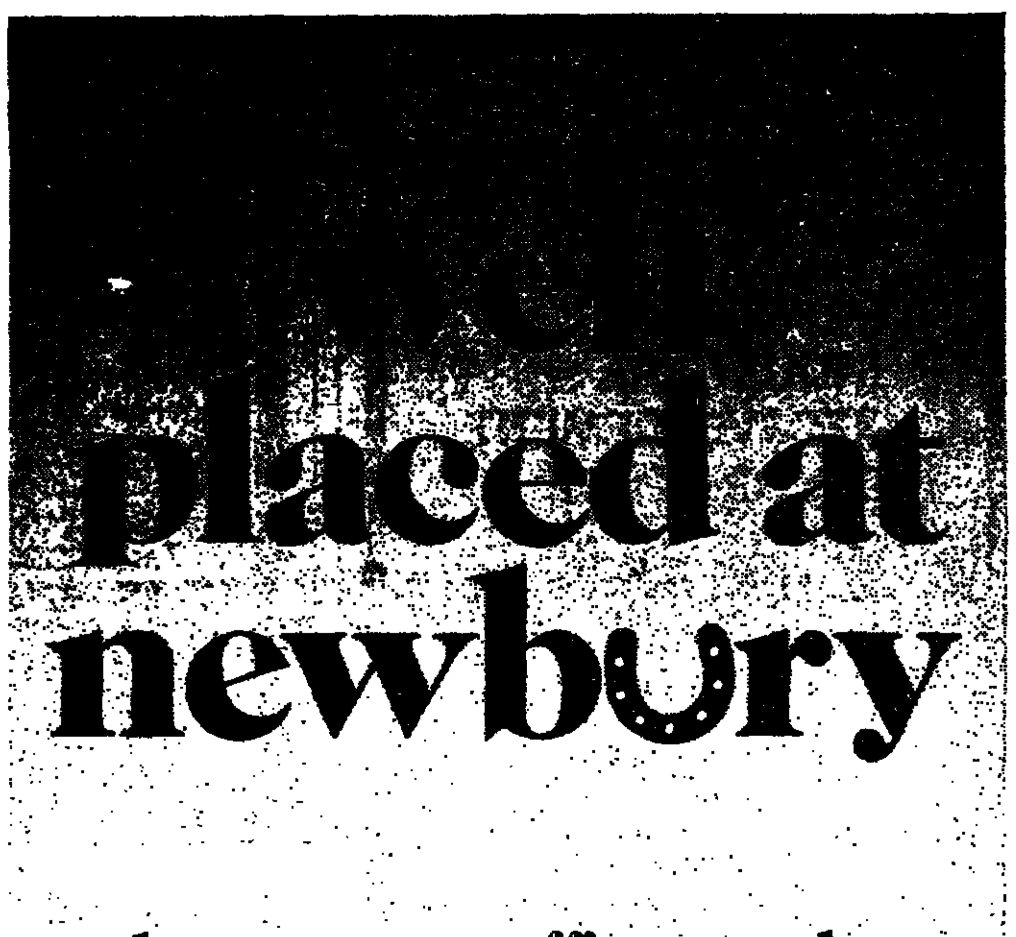
Telephone: 01-408 0929



the west street office complex

5,000-50,000 SQ.FT. OFFICES NOW AVAILABLE TO LET

5,200-24,200 sq.ft. available in floors or as one self-contained building. Plus a possible extra 25,700 sq.ft. in an adjoining building.

The West Street Complex is a new self-contained office development ideally situated in the heart of Newbury town centre, just behind Northbrook Street, the main shopping area.

This self-contained building is constructed on ground and three upper floors and can either be let as a whole or on a floor by floor basis.

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UP TO 40,160 SQ.FT.

TO BE LET

Sole Agents

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Chartered Surveyors
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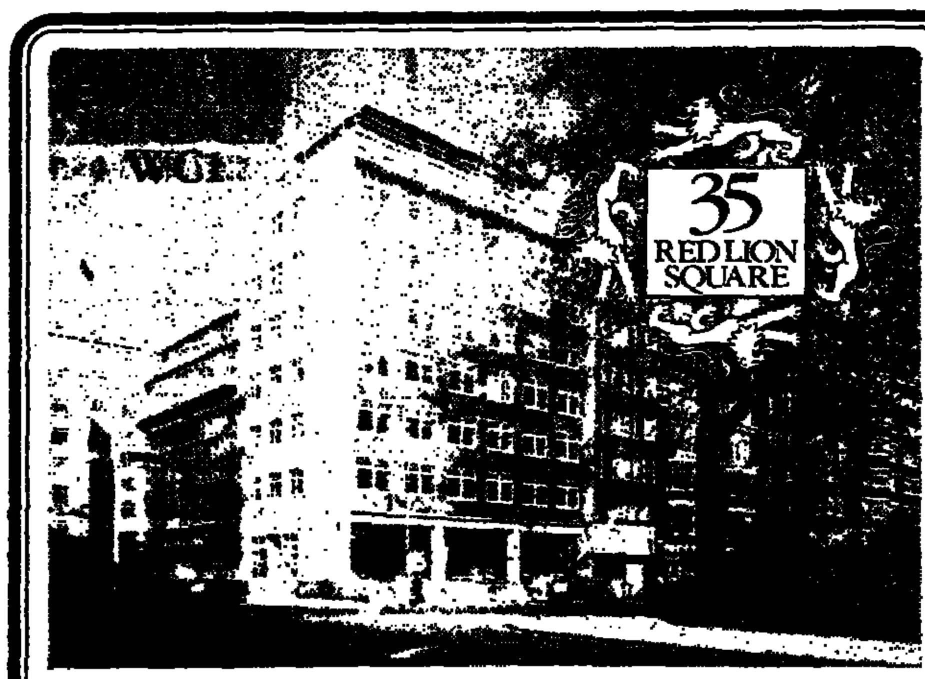

Completely Refurbished Office Building
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- ☐ Two new automatic passenger lifts
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Sole Agents
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Units from 1,500 sq. ft. at £5.42 p.s.f. exclusive

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PROPERTY CONSULTANTS Telephone 01-637 4577

A landmark location, incomparable communications and rent and rates about 20% of central London costs. That's what makes Windmill Hill Business Centre one of Europe's most outstanding office development opportunities.

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For all the details of this remarkable business opportunity, contact the joint agents:

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Knight Frank & Rutley
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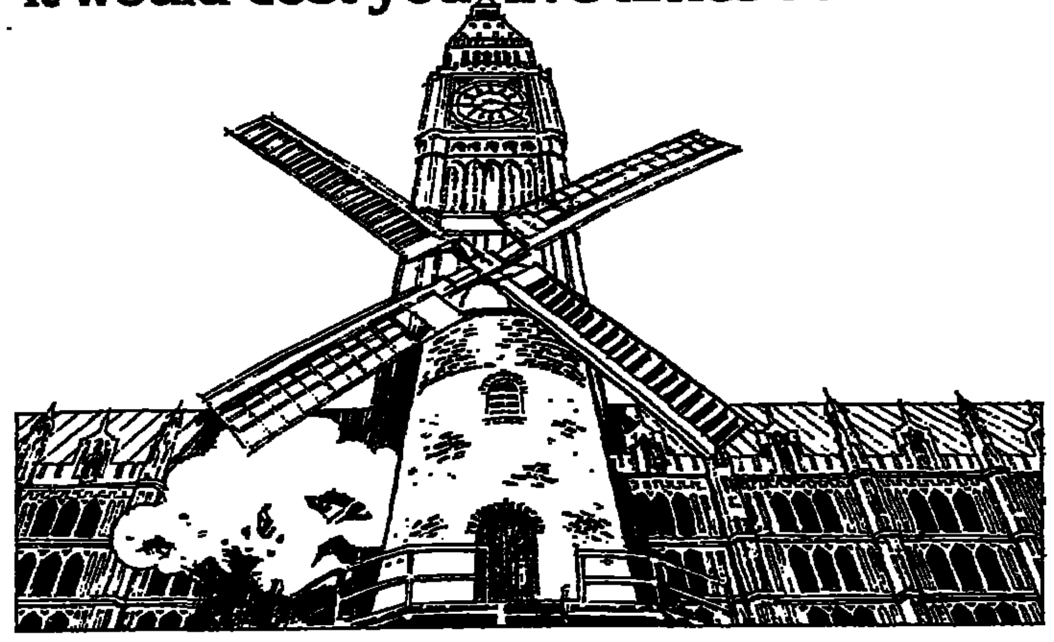
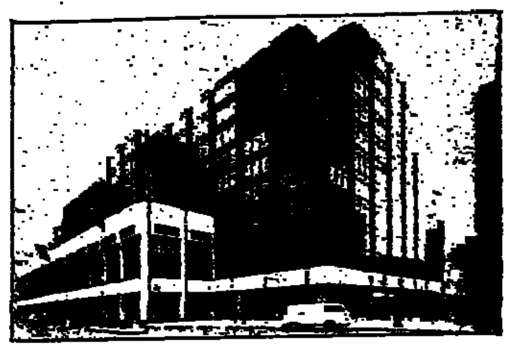


By Order of Phillips Petroleum Europe Africa

SOUTHSIDE, VICTORIA ST. SW1



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Lease To Be Assigned

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FOR SALE
£1,750,000
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(within easy reach of Heathrow)

FREEHOLD FOR SALE	33,680 SQ. FT.

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producing over £100,000 p.a.

Tenders invited by June 17th 1983
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IMPORTANT INDUSTRIAL REDEVELOPMENT OPPORTUNITY

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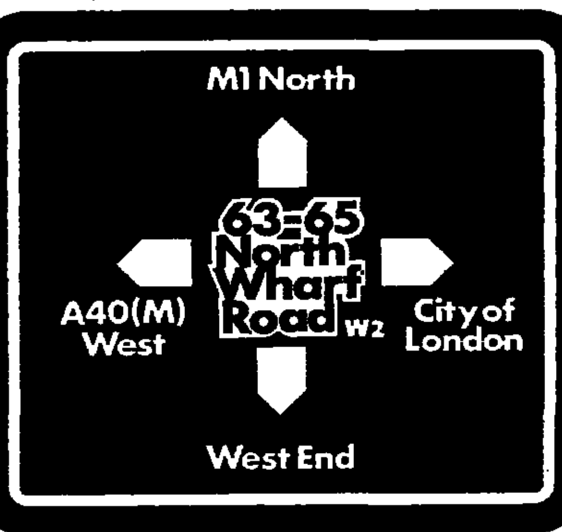
THE PROPERTY THAT'S ON THE GATEWAY OF THE WESTERN CORRIDOR



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FURNISHED OFFICES. Self-contained suite of 2 rooms, immed. avail. in Grade 1 listed period bldg. in Mayfair, adj. New Bond Street. *Luxuriously furnished. Telephones, telex, fully incl.* rent. No legal fees. £750 per month incl. Kenneth Brown & Co., 01-629 6102.

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For further information, contact:
Tim Kingham on 01-248 0769

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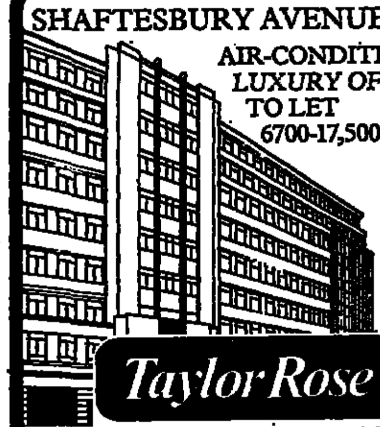

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6,000 sq. ft.
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In prominent position
Accommodation on 3 Floors
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Additional information may be obtained by calling or writing for property brochure.

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CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(The Democratic and Popular Republic of Algeria)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(Ministry of Energy and the Petrochemical Industries)

ENTREPRISE NATIONALE DE FORAGE

(National Drilling Company)

NOTICE OF INTERNATIONAL INVITATION TO TENDER No. EX.05./83

A notice of National and International Invitation to Tender is hereby issued by the Entreprise Nationale de Forage, "ENAFOR," for the supply of:

Item No 1—Spare parts for "KENWORTH" special vehicles

Item No 2—Spare parts for "LAND ROVER" vehicles

Item No 3—Spare parts for "TOYOTA" vehicles

This invitation to tender is addressed solely to manufacturing companies; amalgamations, agents and other intermediaries being excluded in accordance with the provisions of Law No. 78-02 of the 11th February 1978, concerning State monopoly on Foreign Trade.

Tenderers interested in this Invitation to Tender may obtain specifications from: ENAFOR—Département Engineering et Approvisionnements (Engineering and Supplies Department)—1, Place BIR HAKEIM—EL BIAR—ALGER (ALGIERS), as from the date of publication of this notice.

Tenders, drawn up in eight (8) copies, must be sent in a double sealed and registered packet; the envelope must be anonymous without the tenderer's heading, initials or stamp, and must bear simply the endorsement:

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL No. EX.05/83—CONFIDENTIAL—A NE PAS OUVRIR—A L'ATTENTION DE MONSIEUR LE CHEF DE DEPARTEMENT ENGINEERING ET APPROVISIONNEMENTS" (National and International Invitation to Tender No. EX.05/83—Confidential—Do not open—For the attention of the Head of the Engineering and Supplies Department).

Tenders must arrive by 28th May 1983, at the very latest. Any tenders arriving after this date will be rejected.

Selection will be made within 120 days from the closing date of the Invitation to Tender.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(The Democratic and Popular Republic of Algeria)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(Ministry of Energy and the Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS

(National Company for the exploitation of Oilwells)

NOTICE OF INTERNATIONAL INVITATION TO TENDER NUMBER 9135/DIV./

A notice of International Invitation to Tender is hereby issued by the Entreprise Nationale des Travaux aux Puits for the supply of:

EQUIPMENT FOR ENGINEERING MAINTENANCE WORKSHOP

This invitation to tender is addressed solely to manufacturing companies; amalgamations, agents and other intermediaries being excluded in accordance with the provisions of Law No. 78-02 of the 11th February 1978, concerning State monopoly on Foreign Trade.

Tenderers interested in this Invitation to Tender may obtain specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitaine Azzoug, Côte-Rouge, Hussein-Dey, ALGER (ALGIERS), ALGERIA — Département Approvisionnements et Transport, as from the date of publication of this notice.

Tenders, drawn up in five (5) copies, must be sent in a double sealed and registered packet to the "Secrétariat du DAT (Supplies and Transport Department) at the above address. The outer envelope must be completely anonymous, without heading, and must bear the endorsement: "APPEL D'OFFRES INTERNATIONAL Numéro 9135/DIV. Confidential — A ne pas ouvrir" (International Invitation to Tender Number 9135/DIV. Confidential — Do not open).

Tenders should be despatched to arrive by 12.00 hours on Saturday, 28.5.1983, *at the very latest. Any tenders arriving after this date will be rejected.*

Selection will be made within 180 days from the closing date of this Invitation to Tender.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(The Democratic and Popular Republic of Algeria)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(Ministry of Energy and the Petrochemical Industries)

ENTREPRISE NATIONALE DE FORAGE

(National Drilling Company)

NOTICE OF INTERNATIONAL INVITATION TO TENDER No. EX.01./83.

A notice of International Invitation to Tender is hereby issued by the Entreprise Nationale de Forage, "ENAFOR," for the supply of:

Item No 1—*Miscellaneous spare parts for drilling equipment,* "OILWELL" make

Item No 2—*Miscellaneous spare parts, makes:* "GARDNER DENVER, NATIONAL, MATTCO, FOSTER, BAYLOR, LEE C. MOORE, GEOLOGRAPHY, LIGHTNER, OMSCO, FAWICK CLUTCH and DEMCO"

Item No 3—*Miscellaneous spare parts, makes:* "CAMERON, HYDRIL, CHRISTENSEN, BYRON JACKSON, VARCO, BAASH ROSS, WEB WILSON, BOWEN and HALLIBURTON"

Item No 4—"FITTINGS"

This invitation to tender is addressed solely to manufacturing companies; amalgamations, agents and other intermediaries being excluded in accordance with the provisions of Law No. 78-02 of the 11th February 1978, concerning State monopoly on Foreign Trade.

Tenderers interested in this Invitation to Tender may obtain specifications from: ENAFOR—Département Engineering et Approvisionnements (Engineering and Supplies Department)—1, Place BIR HAKEIM—EL BIAR—ALGER (ALGIERS), as from the date of publication of this notice.

Tenders, drawn up in eight (8) copies, must be sent in a double sealed and registered packet; the envelope must be anonymous without the tenderer's heading, initials or stamp, and must bear simply the endorsement.

"APPEL D'OFFRES INTERNATIONAL No. EX.01/83—CONFIDENTIAL—A NE PAS OUVRIR—A L'ATTENTION DE MONSIEUR LE CHEF DE DEPARTEMENT ENGINEERING ET APPROVISIONNEMENTS" (International Invitation to Tender No. EX.01/83—Confidential—Do not open—For the attention of the Head of the Engineering and Supplies Department).

Tenders must arrive by 28th May 1983, at the very latest. Any tenders arriving after this date will be rejected.

Selection will be made within 120 days from the closing date of the Invitation to Tender.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(The Democratic and Popular Republic of Algeria)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(Ministry of Energy and the Petrochemical Industries)

ENTREPRISE NATIONALE DE FORAGE

(National Drilling Company)

NOTICE OF INTERNATIONAL INVITATION TO TENDER No. EX.04./83

A notice of International Invitation to Tender is hereby issued by the Entreprise Nationale de Forage, "ENAFOR," for the supply of 1,124 rock bits with flow beans.

This invitation to tender is addressed solely to manufacturing companies; amalgamations, agents and other intermediaries being excluded in accordance with the provisions of Law No. 78-02 of the 11th February 1978, concerning State monopoly on Foreign Trade.

Tenderers interested in this Invitation to Tender may obtain specifications from: ENAFOR—Département Engineering et Approvisionnements (Engineering and Supplies Department)—1, Place BIR HAKEIM—EL BIAR—ALGER (ALGIERS), as from the date of publication of this notice.

Tenders, drawn up in eight (8) copies, must be sent in a double sealed and registered packet; the envelope must be anonymous without the tenderer's heading, initials or stamp, and must bear simply the endorsement:

"APPEL D'OFFRES INTERNATIONAL No. EX.04/83—CONFIDENTIAL—A NE PAS OUVRIR—A L'ATTENTION DE MONSIEUR LE CHEF DE DEPARTEMENT ENGINEERING ET APPROVISIONNEMENTS" (International Invitation to Tender No. EX.04/83 — Confidential — Do not open — For the attention of the Head of the Engineering and Supplies Department).

Tenders must arrive by 28th May 1983, at the very latest. Any tenders arriving after this date will be rejected.

Selection will be made within 120 days *from the closing date of* the Invitation to Tender.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(The Democratic and Popular Republic of Algeria)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(Ministry of Energy and the Petrochemical Industries)

ENTREPRISE NATIONALE DE FORAGE

(National Drilling Company)

NOTICE OF NATIONAL AND INTERNATIONAL INVITATION TO TENDER No. EX.07./83

A notice of National and International Invitation to Tender is hereby issued by the Entreprise Nationale de Forage, "ENAFOR," for the supply of:

Item No 1—*Electrical spare parts for drilling equipment and sites* US STANDARDS

Item No 2—*Electrical spare parts for drilling installations and sites* EUROPEAN STANDARDS

This invitation to tender is addressed solely to manufacturing companies; amalgamations, agents and other intermediaries being excluded in accordance with the provisions of Law No. 78-02 of the 11th February 1978, concerning State monopoly on Foreign Trade.

Tenderers interested *in this Invitation to Tender may obtain* specifications from: ENAFOR—Département Engineering et Approvisionnements (Engineering and Supplies Department)—1, Place BIR HAKEIM—EL BIAR—ALGER (ALGIERS), as from the date of publication of this notice.

Tenders drawn up in eight (8) copies, must be sent in a double sealed and registered packet; the envelope must be anonymous without the tenderer's heading, initials or stamp, and must bear simply the endorsement:

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL No: EX.07/83—CONFIDENTIAL—A NE PAS OUVRIR—A L'ATTENTION DE MONSIEUR LE CHEF DE DEPARTEMENT ENGINEERING ET APPROVISIONNEMENTS" (National and International Invitation to Tender No. EX.07/83—Confidential—Do not open—For the attention of the Head of the Engineering and Supplies Department).

Tenders must arrive by 28th May 1983, at the very latest. Any tenders arriving after this date will be rejected.

Selection will be made within 120 days from the closing date of the Invitation to Tender.

EDUCATIONAL

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For further details write to:

Classified Advertisement Manager
Financial Times, 10 Cannon Street, EC4P 4BY

COMPANY NOTICES

ORANGE FREE STATE GOLD MINING COMPANIES ADMINISTERED BY ANGLO AMERICAN CORPORATION

INTERIM DIVIDENDS — FINANCIAL YEARS ENDING SEPTEMBER 30 1983

On April 21 1983 dividends were declared in South African currency, payable on June 10 1983 to members *registered in the books of the* undermentioned companies at the close of business on May 6 1983, and to persons presenting the relevant coupons marked "South Africa," detached from share/stock warrants to bearer.

The transfer registers and registers of members will be closed in each *case from May 7 to May 20 1983*, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 9 1983. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on May 9 1983, of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the *offices of the transfer* secretaries in Johannesburg or in the United Kingdom on or before May 6 1983.

Holders of share/stock warrants to bearer are notified that the dividends are payable on or after June 10 1983, upon presentation of the respective coupons *(marked "South Africa")* at the offices of Barclays National Bank Limited, Stock Exchange Branch, Diagonal Street, Johannesburg, South Africa; Union Bank of Switzerland, Bahnhofstrasse 45, Zurich, Switzerland; Credit du Nord, 6 and 8 Boulevard Haussmann, 75009 Paris, France; and Banque Bruxelles Lambert, 24 Avenue Marnix, 1050 Bruxelles, Belgium, only. Coupons must be left at least four clear days for examination.

Proceeds of dividends in respect of coupons marked *"South Africa,"* may, at the request of the depositors, be converted through an authorised dealer in exchange in the Republic of South Africa into any currency. The effective rate of exchange for conversion into any such currency will be that prevailing at the time the proceeds of the dividends are deposited with *the authorised dealer in exchange.*

The effective rate of non-resident shareholders' tax for all the undermentioned companies is 15 per cent.

The dividends are payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the companies' transfer secretaries in Johannesburg and the United Kingdom.

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Coupons marked "South Africa" No.	Rate of dividend per share/unit of stock
Free State Geduld Mines Limited	52	53	240 cents
President Brand Gold Mining Company Limited	68	88	290 cents
President Steyn Gold Mining Company Limited	56	57	280 cents
Western Holdings Limited	56	—	355 cents

By order of the boards
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: C. R. BULL
Divisional Secretary

Transfer Secretaries
Consolidated Share Registrars Limited
First Floor, Edura
40 Commissioner Street
Johannesburg 2001
(PO Box 61051
Marshalltown 2107)

Charter Consolidated P.L.C.
PO Box 102
Charter House, Park Street
Ashford, Kent TN24 8EQ

Head Office
44 Main Street
Johannesburg
2001
(PO Box 61587
Marshalltown 2107)

London Office
40 Holborn Viaduct
London EC1P 1AJ

Johannesburg
April 22 1983

EAST RAND GOLD AND URANIUM COMPANY LIMITED

(Incorporated in the Republic of South Africa)

FINAL DIVIDEND — FINANCIAL YEAR ENDED MARCH 31 1983

On April 21, 1983, dividend No. 5 of 35 cents a share was declared to South African currency payable on June 10, 1983 to members registered in the books of the company at the close of business on May 6, 1983. [illegible]

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Johannesburg
April 22, 1983

REED (NEDERLAND) N.V.

[illegible]

PUBLIC NOTICES

[illegible]

CLUBS

[illegible]

CANON INC.

Advice has been received from Tokyo that the Board of Directors has declared a payment of DIVIDEND of Yen 6.00 per share for the six months period ended 31st December 1982.

Holders of EUROPEAN DEPOSITARY RECEIPTS TO BEARER (SHARE EDR's) wishing to claim this dividend in respect of the shares represented by their share EDR's should present Coupon No. 41 at the office of HILL [illegible]

LEGAL NOTICES

NOTICE
MERITAL
(TRADE MARK)

A petition for the extension of term of British Patent No. 1,164,192, which relates to the [illegible]

IN THE MATTER OF STANDARD MERCANTILE COMPANY LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

[illegible]

IN THE MATTER OF G. L. CRISFORD LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

[illegible]

TRAVEL

[illegible]

Building Contracts

£15.9m M3 job for Mowlem

The Department of Transport has awarded a contract worth £15.9m to **JOHN MOWLEM AND CO.** *for the construction of a* 4.66 mile length of the M3 motorway between Bar End on the Winchester Bypass and Bridgets Lane, north of Abbots Worthy in Hampshire. This is the first of two contracts for the extension of the M3 from Popham to Bar End. There will be dual three-lane carriageways for the 1.25 mile length between Bar End and Easton Lane, where an inter*change will be built to provide* a junction with the A34 Trunk Road. The remaining 3.42 miles northwards to Bridgets Lane will be *dual two-line carriageways.* The contract also includes the construction of a non-motorway road, known locally as the Spitfire Link, connecting the Easton Lane interchange, the Petersfield Road (A31) and Bar End.

★

ALEX LAWRIE FACTORS has commissioned a £1½m expansion at the Banbury headquarters. Work on the new four-storey, 20,000 sq ft office block has begun and completion is scheduled for May 1984. Contractors are **CLIENT CONSTRUCTION CO** and **CONDER BUILDINGS.**

★

Contracts worth over £4.3m have been awarded in Scotland and North West England to companies in the **LONDON AND NORTHERN GROUP.** In the Aberdeen area Cameron-Farquhar Group has been awarded contracts totalling £3.5m. In a £510,000 contract it will build extensions to a shopping centre at West Hill, Aberdeen, for Ashdale Land and Property Company and construct a shopping centre at Cove Bay, Aberdeen, for £214,000 for a group of private investors. At Altens, a warehouse development for Mountleigh Group will be completed in a £770,000 contract and in a housing development programme in Aberdeen for Aberdeen District Council 40 houses will be constructed in a £881,000 contract. A fabrication shop is to be constructed at Pitmedden Road, Dyce, for Rigblast Group of Companies for £220,000 and garage premises will be refurbished for Harper Motor Company in Great Western Road, Aberdeen, for £152,000. A small office extension for Richard Smith Ltd at Altens and a further small office refurbishment at Albert Street for Mountleigh Group total £136,000. In Aberdeen, a warehouse development in Ann Street for James Esson Properties brings a £172,000 contract and £120,000 extensions to offices in Aberdeen will be carried out for John Flemming and Co. Cameron-Farquhar Group has also commenced a private housing development at Mintlay, North of Aberdeen where 10 dwellings will be constructed at a cost of £275,000.

Also in Scotland, Tractor Shovels (Contracts) has been awarded a contract for £149,727 by Tayside Regional Council for road improvements at Ferny Bank and Mudloch, Glenesk.

In North West England and Southern Scotland, Border Engineering Contractors, based in Whitehaven, have contracts valued at £686,706, mainly in Cumbria. In a contract for Ettrick and Lauderdale District Council, Border will modernise 27 houses at Stow in a £147,801 contract and will erect eight flats at Calderbridge, Cumbria, for Impact Housing Association for £141,385. For British Leyland it will refurbish Millson Building at Lillyhall for £99,346 and poultry units will be constructed at Earlston for Hamish Morrison. Machine bases will be constructed in Carlisle for Metal Box for £79,365 and for Two Castle Housing Association, Carlisle, mechanical services will be provided for a housing contract at Wingate Road, Carlisle, at a cost of £43,401.

★

A £330,000 contract for restoration work at the Nisi Prius Courts, Carlisle, has been awarded to **LAING STONEMASONRY** by Cumbria County Council. The Courts consist of two circular castellated neo-Gothic buildings at the southern end of the city centre. Designed by Robert Smirke, they were built early in the 19th century on the site of the old southern gateway to the city. They are generally regarded as a good example of late Georgian architecture in an unusual style. *Extensive restoration work has* become necessary as some of the stonework has spalled and cracked, and in places become *insecure. Contract period is 78* weeks.

A 160-room hotel and shopping complex is being built by **TEAMWORK MALAYSIA SDN BHD**, an *associated company of the Taylor* Woodrow Group, in the grounds of Subang International Airport, Kuala Lumpur. The contract, worth £8.5m, has been awarded by Kumpulan Fima Bhd and is due to be partially completed in May, with final completion in December. Adjoining the four-storey main building, which has a floor area of 19,600 sq yds, will be a two-storey car park, covering 18,000 sq yds. The complex is being built on reinforced concrete piles and will have a concrete frame with concrete block walls. The contract also involves internal finishings, mechanical and electrical services and external works.

★

Five contracts with a total value over £1.1m have been won by **WOOD GROUP STRUCTURAL COATINGS (WGSC)**, Aberdeen. Among them is a £500,000 topside painting contract awarded by BP Petroleum Development for the Forties "Delta" platform.

★

WILCON CONSTRUCTION, *building division of Northampton-based* Wilson (Connolly) Holdings, has been awarded contracts totalling £1.6m. The *Northampton office has a £1.1m* deal with Smiths Containers for a 53,000 sq ft factory and warehouse at Rushden for completion in January 1984. It will also refurbish offices owned by Swifts Transport in an £80,000 contract to be completed by August. The Milton Keynes office has signed a £400,000 contract to design and build a 22,000 sq ft factory and two-storey office block for Meadow Farm Produce at Bradwell Abbey, Milton Keynes, with completion scheduled for October.

★

SEED & CEREAL SERVICES (YORK) has been awarded a contract worth more than £500,000 to construct a 10,000 tonne grain drying and storage complex for the Panmure Trading Co, near Dundee in Scotland.

Stringent planning and environmental conditions relating to dust, noise, fire hazard, landscape, etc, has been satisfied by the Cimbria driers and handling equipment incorporated into the project.

The scheme also has to fulfill the essential brief of producing economically, high quality malting barley for home and export trade.

★

HOWICK PARTITIONING has been awarded two office partitioning contracts. The largest, for a Britoil office development in Aberdeen, is worth £350,000. Also in Aberdeen is a contract for phase-two of a development for Conoco worth £100,000.

£7.5m batch for A. Monk

A. MONK has been awarded £7.5m of contracts including: at Heysham power station, building finishes and site services worth £2m for the CEGB; in Berkshire, a supply wing headquarters and warehouse with recladding of existing buildings worth £1.4m for the PSA; at Worcester, 3 km of single carriageway including a six-span bridge over the River Severn and a six-span viaduct over the Severn flood plain for Hereford and Worcester CC worth £3.3m.

★

OAKWOOD GROUP, via its civil and electrical engineering subsidiary Clough Smith, has been awarded a road lighting and communications cabling contract valued at around £400,000 for the Featherstone section of the new M54 Telford motorway by Tarmac National Construction, main contractors. The work is scheduled for completion by November 1.

★

J. A. ELLIOTT, Bishops Stortford, has been awarded a £3.8m design and build contract by May and Baker. The 60-week project includes a 2,400 sq metre administrative office block and a 2,300 sq metre laboratory complex at its research establishment in Ongar, Essex.

★

KILLBY & GAYFORD has been awarded a contract worth over £200,000 for the external restoration of the Talk of the Town *building in Cranbourne Street,* London W1. The work comprises the removal of all the illuminated signs, cleaning and restoration of the stonework, major roof repairs and redecoration.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$400	—	—	2	62	2	66	$440.25
GOLD C	$425	1	24	4	44	—	—	"
GOLD C	$450	15	9.50	46	27	1	37.50	"
GOLD C	$475	32	3.50 B	57	16	6	29	"
GOLD C	$500	15	2	11	11	2	21.50	"
GOLD C	$550	—	—	—	—	4	12	"
GOLD P	$375	10	0.70	—	—	—	—	"
GOLD P	$400	—	—	20	7.50	—	—	"
GOLD P	$425	211	6	72	15	—	—	"
GOLD P	$450	10	16	3	24 B	—	—	"
		June		Sept.		Dec.		
SILV C	$10	—	—	1	3.80	—	—	$12.38
SILV C	$11	8	2.39	1	3.10	—	—	"
SILV C	$12	29	1.50	10	2.30	14	2.90	"
SILV P	$11	—	—	—	—	2	1	"
		July		Oct.		Jan.		
AKZO C	F.40	—	—	3	18.50 A	—	—	F.58
AKZO C	F.45	—	—	3	14	—	—	"
AKZO C	F.50	108	9.30	86	10	—	—	"
AKZO C	F.55	32	6.40	12	8	125	9.30	"
AKZO C	F.60	191	4	92	6	3	7.50	"
AKZO C	F.65	753	2 A	72	3.50	24	4.20	"
AKZO P	F.40	5	0.20	—	—	—	—	"
AKZO P	F.45	20	0.90	20	1.30	—	—	"
AKZO P	F.50	25	1.60	50	2.50	—	—	"
AKZO P	F.55	142	4.30	17	4.50	22	5	"
AKZO P	F.60	73	5.80	3	7.50	2	9.50	"
AKZO P	F.65	3	9	—	—	—	—	"
KLM C	F.100	5	46	—	—	—	—	F.145.80
KLM C	F.120	5	27	—	—	—	—	"
KLM C	F.130	10	17.50	—	—	—	—	"
KLM C	F.140	20	11	—	—	—	—	"
KLM C	F.150	112	7	—	—	—	—	"
KLM C	F.160	43	4.40	7	10.30	—	—	"
KLM C	F.170	23	2.20	—	—	—	—	"
KLM P	F.110	25	1	—	—	—	—	"
KLM P	F.130	21	5	—	—	—	—	"
KLM P	F.140	28	7.50	3	12 B	5	13.80	"
KLM P	F.160	8	12.50	2	17 B	—	—	"
KLM P	F.160	8	19	—	—	—	—	"
PHIL C	F.27.50	10	18.70 B	—	—	—	—	F.46.20
PHIL C	F.30	11	16.20 B	1	16.30 B	—	—	"
PHIL C	F.35	51	11.20 B	—	—	—	—	"
PHIL C	F.40	415	6.60	302	8	—	—	"
PHIL C	F.45	1345	4.20	422	5.50	171	6.80	"
PHIL C	F.50	672	2.20 B	284	3.70	194	4.60	"
PHIL P	F.30	30	0.10	—	—	—	—	"
PHIL P	F.32.50	38	0.20	—	—	—	—	"
PHIL P	F.35	15	0.40	61	1	—	—	"
PHIL P	F.40	108	1.10	23	2	—	—	"
PHIL P	F.45	143	3	190	4	10	4.50	"
PHIL P	F.50	53	6	10	6.50	5	6.80	"
RD C	F.90	6	26	—	—	—	—	F.115.30
RD C	F.100	237	15.50	14	16.50	—	—	"
RD C	F.110	98	8	54	9.50	106	10.70	"
RD C	F.120	367	3.60	364	4.90	30	7.10	"
RD P	F.90	6	0.40	—	—	—	—	"
RD P	F.100	9	1.10	—	—	—	—	"
RD P	F.110	5	3.60	31	6.50	—	—	"
RD P	F.120	2	9.80	—	—	2	14.50	"
UNIL C	F.190	2	27.50	—	—	—	—	F.217.50
UNIL C	F.200	9	19	—	—	—	—	"
UNIL C	F.220	68	8.40	8	10.80	5	18	"
UNIL C	F.240	63	3	8	5.50	—	—	"
UNIL P	F.190	59	2.50	—	—	—	—	"
UNIL P	F.200	24	5	8	6	—	—	"
UNIL P	F.220	—	—	8	15.50	—	—	"
		May		Aug.		Nov.		
12¾ NL 81 87-91								
C	F.127.50	159	2.60	—	—	—	—	F.113.30
C	F.130	—	—	3	1.70	205	2.80	"
C	F.135	—	—	—	—	10	1.10	"
P	F.127.50	9	0.80	85	1.50	—	—	"
P	F.130	15	1.20	26	2.80	5	3.50	"
P	F.135	25	5.20	—	—	—	—	"
11¼ NL 82 88 92								
C	F.115	—	—	203	1.10	—	—	F.114.60

TOTAL VOLUME IN CONTRACTS 12,282

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
Brit. Petroleum (*390)							
	300	102	108	—	2	4	—
	330	72	78	—	5	8	—
	360	44	52	62	11	14	18
	390	24	34	44	18	25	30
Cons. Goldfields (*552)							
	390	175	—	—	2	—	—
	420	145	—	—	3	—	—
	460	105	115	—	6	12	—
	500	67	80	87	14	25	32
	550	37	50	62	32	42	50
	600	16	28	—	62	—	—
Courtaulds (*94)							
	70	27	29	—	1½	2	—
	80	18	20	22	2½	3	4
	90	10	13	15	5	7	9
	100	4½	7½	10	12	13	15
Commercial Union (*149)							
	120	32	36	—	1½	2	—
	130	22	26	—	3	4	—
	140	16	18	22	6	8	8
	160	7	9	11	16	19	22
G.E.C. (*230)							
	180	57	63	—	2	4	—
	200	39	45	—	4	9	—
	220	24	30	38	11	17	22
	240	12	16	24	22	28	34
	260	5	—	—	34	—	—
Grand Met. (*336)							
	280	62	—	—	3	—	—
	300	44	50	—	5	6	—
	330	24	30	39	14	18	21
	360	12	17	23	30	35	38
	390	5	9	—	60	61	—
I.C.I. (*472)							
	300	182	—	—	—	—	—
	330	152	—	—	2	—	—
	360	122	126	—	3	3	—
	390	92	96	—	6	5	—
	420	62	68	78	7	12	16
	460	40	48	60	20	24	28
Land Securities (*327)							
	260	73	79	—	2	—	—
	280	53	60	—	3	6	—
	300	34	42	47	6	10	13
	330	16	23	29	17	21	24
Marks & Spencer (*211)							
	180	35	41	—	3	6	—
	200	22	28	34	8	12	14
	220	11	16	22	18	22	23
	240	5	—	—	33	—	—
Shell Transport (*494)							
	390	116	126	—	2	3	—
	420	86	98	—	3	8	—
	460	48	60	70	10	16	20
	500	26	36	48	26	32	34
	550	14	24	—	64	68	—
Option		May	Aug.	Nov.	May	Aug.	Nov.
Barclays Bank (*486)							
	360	130	140	—	1	2	—
	390	100	110	—	2	2	—
	420	70	80	98	2	6	10
	460	32	42	60	6	18	25
	500	9	23	37	20	28	38

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Imperial Group (*111)							
	90	22	—	—	1	—	—
	100	13	—	—	1½	—	—
	110	7	12	15	4	6	8
	120	2½	7	9	9	11	13
	130	1	3½	5	19	19	20
LASMO (*316)							
	210	110	115	125	1	3	4
	230	90	95	103	2	6	7
	250	70	77	85	2	8	12
	270	50	63	70	4	12	16
	290	33	45	—	10	16	—
	300	—	—	50	—	—	28
	320	14	30	—	—	27	—
	350	5	—	—	—	—	—
	380	2	—	—	—	—	—
Lonrho (*88)							
	80	11	14	16	2	3½	5
	90	4	7½	9	4	7	10
	100	1½	3½	5	13	16	18
P. & O. (*151)							
	100	52	52	—	0¼	1	—
	110	42	42	—	0½	2	—
	120	32	32	34	1	2	4
	130	22	24	27	1½	4	6
	140	13	15	20	3	9	13
	160	4	8	12	14	23	26
Racal (*489)							
	420	75	85	97	2	5	13
	460	37	47	62	9	22	35
	500	14	28	45	25	35	45
	550	3	11	—	67	70	—
	600	1	4½	—	115	115	—
	650	1	—	—	165	—	—
R.T.Z. (*587)							
	390	200	—	—	0½	—	—
	420	170	175	—	0½	—	—
	460	130	135	—	0½	4	—
	500	90	95	115	2	8	17
	550	40	60	77	9	20	30
	600	15	32	47	33	42	52
Vaal Reefs (*$114)							
	80	—	—	—	1	—	—
	90	25½	29½	30½	1	2½	5
	100	16	20½	23	1½	5	9
	110	9	14½	18	5	8½	13
	120	4½	10	13	10	14½	17
	130	1½	7	9½	17	—	22½
	140	1¼	4½	6½	—	—	—
Option		June	Sept.	Dec.	June	Sept.	Dec.
Beecham (*413)							
	360	57	67	76	4	6	8
	390	37	55	60	10	18	22
	420	20	35	43	27	32	40
Guest Keen (*164)							
	140	29	33	36	3	5	9
	160	13	19	23	9	12	17
	180	4	10	14	23	26	30

Apr. 21 Total Contracts 3,294 Calls 2,509 Puts 785

* Underlying security price.

INSURANCE & OVERSEAS MANAGED FUNDS

London A'dent & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF 01-404 0393

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 587511.

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272 279179
See Corrected Page Monday and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invst. Tst. Fd. Cap.	273.1	—	-1.4	—
Invst. Tst. Fd. Acc.	285.7	—	-1.4	9.6
Property Fund Cap.	116.0	—	-0.1	—
Property Fund Acc.	121.3	—	—	3.5
Flexible Fund Cap.	178.9	—	-0.8	—
Flexible Fund Acc.	185.4	—	-0.9	3.2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*Addition to price where reduced mngt. charges apply.

M & G Group

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU 01-680 0606

Property Gth Pen. & Annuities Ltd

Providence Capital Life Assur. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Providence Capital International Ltd.
PO Box 121, St Peter Port, Guernsey 0481 26726/9

UK Stockmarket	£1.382	1.486	+0.001	—
Intl. Stockmarket	$0.994	1.069	+0.025	—
World Technology	$1.013	1.089	-0.001	—
N. Am. Stockmarket	$1.194	1.284	+0.004	—
Far East	$0.888	0.955	+0.022	—
UK Fixed Interest	£1.279	1.311	+0.004	—
Intl. Fixed Int.	$1.102	1.185		—
Intl. Currency	$0.996	1.071	+0.001	—
Intl. Money Market	$1.030	1.107	+0.001	—
U.K. Money Market	£1.018	1.095	+0.001	—
Stlg. Mangd. Fd.	£1.144	1.230	+0.017	—
Dollar Mangd. Fd.	$1.079	1.160	+0.019	—

Savings Target Rate £8/$7.
Prices on April 20. Next dealing April 27.

Quest Fund Man. (Jersey) Ltd.
PO Box 194, St Helier, Jersey. 0534 27441

Quest Stlg. Fxd. Int	£0.829	0.878	—	10.25
Quest Intl. Secs.	$1.067	1.148	—	1.22
Quest Intl. Bd.	$0.880	0.932	—	10.30

Prices on April 20. Next dealing April 27.

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.52	-0.05	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St., Douglas IoM 0624 25015

Wren Com. Fund	31.8	33.1	—	3.10
Wren Fund	80.9	84.1	—	1.70
Precious Metal Fund	125.7	130.9	—	8.30
Vanguard Cmdy. Fd.	42.3	43.5	—	2.26
Financial Futures Fd.	121.8	126.8	—	—
Wren Intl. Fnd.*	$0.912	0.950	—	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

American Express and Akzo each launch SwFr 100m bond

BY MARY ANN SIEGHART IN LONDON

THE SWISS Franc market was the most active of the international bond markets yesterday, with two companies launching SwFr 100m public bonds.

Akzo, the Dutch chemical company issued a ten-year bond through Credit Suisse with an indicated yield of 5¼ per cent. American Express International Banking Corporation's issue is for 11 years, led by Soditic, but has no coupon as yet. It is the second borrowing in the Swiss market by American Express this year.

Also from Soditic comes news of a SwFr 100m private placement from the British Finance For Industry. The five-year issue has a coupon of 5¼ per cent at par. UBS's SwFr 50m convertible issue for Renown was given a coupon yesterday of 3¼ per cent.

The Swiss secondary market was still weak on the back of high short-term interest rates and a strong dollar.

The Eurodollar market was more or less unchanged yesterday on low turnover, with the only exceptional new issue being the BHF $24.5m convertible, launched on Monday.

The bonds carry warrants to purchase BHF shares at DM 271 each. By yesterday the shares had reached DM 298 and the bonds were changing hands at a premium of more than 40 per cent. A spokesman from BHF said yesterday: "We still think that the 7½ per cent coupon was correct, especially since it's the first time we've come to the market. We always think that a first issue for a borrower should be a success."

Not so sensational were the other two recent dollar bank bonds. Both Westpac and DG Bank's $100m, seven-year, 11 per cent issues were trading outside their selling concessions at discounts of just over 2 per cent.

Prices in the German secondary market were patchy but unchanged on average in light turnover.

WEEKLY U.S. BOND YIELDS (%)

	April 20	April 13	1982-83 High	1982-83 Low
Composite Corp. AAA	10.97	11.05	14.88	10.83
Composite Corp. AA	11.11	11.24	15.24	11.11
Government:				
Long-term	10.44	10.41	14.02	10.18
Intermediate	10.07	10.06	14.24	9.91
Short-term	9.55	9.55	14.52	9.23
Municipal	n/a	8.93	12.62	8.92
Industrials AAA	10.76	10.90	14.49	10.55
Industrials AA	11.06	11.14	14.79	10.96
Utilities AAA	11.03	11.20	15.27	11.03
Utilities AA	11.17	11.35	15.69	11.17
Preferred Stocks	10.82	10.88	13.35	10.71

Source: Standard & Poor's

Sonatrach seeks $500m loan

BY FRANCIS GHILES IN LONDON

SONATRACH, the Algerian state oil and gas company, is seeking to raise $500m in the international capital markets. This is the first time in more than three years that an Algerian borrower has sought to raise a major loan and reflects the shortfall in oil and gas export receipts which the authorities anticipate for 1983.

The decision about which bank or banks lead this loan is expected to be made in Algiers next weekend. The four leading Arab banks, Arab Banking Corporation, Banque Arabe Internationale d'Investissement, Gulf International and Union de Banques Arabes et Francaises, will all play an important part in this operation.

The loan is expected to carry a split spread over the interbank rate of ½ and ⅝ per cent for eight years and a commitment fee of ⅜ per cent per annum.

Algeria was one of the most frequent visitors to the international capital markets throughout most of the 1970s, at a time when its planners were investing large amounts of money in heavy industry and liquefied natural gas plants.

Algeria's foreign debt has declined during the past two years and is estimated to be about $16bn. The debt outstanding directly to foreign banks declined in the year to June 1982 to $7.7bn.

Repayment schedules to the foreign banks, however, remain heavy: in the 12 months to June 1983 Algerian borrowers will have repaid $1.5bn to the banks, who have seen the Algerian assets on their books decline sharply since 1981.

Algeria's income from oil and gas held up well last year – Sonatrach earned $13bn from exports, about as much as in 1981 – which has allowed the authorities to choose their time for raising a loan.

Weak guilder checks Dutch bond

BY WALTER ELLIS IN AMSTERDAM

THE LATEST Dutch state loan, priced at par and with a coupon of 8 per cent – half a per cent higher than the first three issues this year – closed on Tuesday evening with a subscription worth Fl 1.2bn ($433m).

This was regarded as somewhat disappointing by the Dutch Government which had hoped the higher rate of interest would attract a greater volume of business. Analysts feel that investors are holding back in the hopes of a still higher coupon within the next two months.

So far this year, the Government has raised Fl 9.3bn in state loans. But as the public sector deficit this year is expected to reach around 12.5 per cent of national income, it can be expected to enter the market again soon. This time the interest rate could be 8¼ or even 8½ per cent.

Since the recent realignment of the European Monetary System (EMS), in which the D-Mark and the guilder were revalued by 5½ and 3½ per cent respectively, the two currencies, normally precisely aligned, have languished at the bottom of the table.

This unusual dual weakness not unnaturally brought about a degree of intervention by the Bundesbank and the Nederlandsche Bank and a subsequent relative strengthening of values. But money market and capital market rates had in the meantime edged up slightly, fuelling speculation that rates might be set for a significant rise.

Call money (one-day money) is now around 6 per cent. Three-month term money is 5½ per cent, one-year 6 per cent and two-year 7½ per cent. The capital market rate is 8 per cent and slightly over.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for April 21.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	97⅞	98⅜	0	+0⅞	10.69
Amro Bank 13 88	200	107¼	107¾	+0⅛	+0⅝	11.28
Bank of Tokyo Hold 11 90	100	99⅝	99⅞	+0½	+0¾	11.07
British Col Hyd 10⅛ 88	200	98½	99	0	−0⅛	10.58
British Col Hyd 15¼ 92	150	118⅝	119¼	+0⅛	+0¼	11.74
Canada 14⅞ 87	750	111⅞	112⅜	+0⅛	+0½	10.59
Canadair Ltd 12½ 89	175	106⅝	106⅞	0	+0⅞	11.00
Canadian Wheat 11⅛ 90	50	101⅞	102⅜	+0⅜	+1	10.80
Can Pac Sec 15 89	75	109¾	110¼	0	−0½	12.57
Coca Cola Int 9⅞ 92	100	25⅝	25⅞	+0⅛	+0¾	10.52
Coca Cola Int 11¾ 88	100	104⅝	105⅛	0	−0¼	10.58
Credit Suisse BHA 10½ 90	150	100	100½	0	−0¼	10.44
[illegible]						

	Issued	Bid	Offer	Change on day	Change on week	Yield
Japan Airlines 7⅝ 87	91†	102¼	101⅝	0	+0⅛	7.40
New Zealand 7⅛ 88	15	100⅝	101½	0	+0½	7.36
World Bank 8⅛ 92	20	103⅛	103⅝	0	0	7.31

Av. price changes: on day 0, on week −⅛.

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Cayman 12½ 90 CS	50†	98½	99	0	+0⅞	12.76
Farm Credit 12⅝ 93 CS	50†	101½	102	0	+1⅛	11.81
Gaz Metro 14½ 92 CS	40†	102⅞	103⅜	0	−0½	13.87
Interprov Pipe 12⅛ 93 CS	50†	98½	99	0	0	12.47
Pancanadian 12½ 93 CS	50†	99¾	100⅛	0	+⅛	12.48
Quebec Hydro 14 92 CS	60†	107¾	107⅞	0	+0½	12.57
Swed Exp Cr 12¼ 88 CS	50†	102½	103½	0	+0½	11.38
[illegible]						

DEUTSCHE MARK STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

SWISS FRANC STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

YEN STRAIGHTS

	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

FLOATING RATE NOTES

	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]						

CONVERTIBLE BONDS

	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+or−	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+or−
[illegible]							

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+or−
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. [illegible]

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SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday April 22 1983

EEC farm policy 'is still the culprit,' Page 41

WALL STREET

Fed funding generates nervousness

RENEWED nervousness over the Federal funding programme brought higher yields in Wall Street's credit markets yesterday. Share prices, which had opened the day with renewed gains, later succumbed to the uncertainty in the bond markets and shed some early gains. *However, there were a number of* bright features which reflected trading statements from major companies, *writes Terry Byland in New York.*

The Dow Jones industrial average, which had been easier around mid-session, rallied during the early afternoon, but later fell back to close at 1188.27 for a loss of 3.20 on the day.

Motor shares, the stars of Wednesday's market, opened firmly, helped by good results from Chrysler whose shares touched $25 briefly.

But Chrysler shares slipped back to $23¾, a net rise of $1, General Motors shed $½ point of Wednesday's gain to $64¼ after confirming that it would close permanently two plants. The plants are currently shut down, but the decision to make the shutdown permanent raises the danger of serious union problems over the joint venture with Toyota.

Just before the end of the session, shares in National Steel, sixth largest of the steelmakers, eased $⅛ to $27⅞ after the first-quarter statement cast doubts on the recovery. Burroughs, the office machinery manufacturer, put on $⅝ to $48 in response to the trading statement.

USAir introduced the reports season for the industry with news of a loss in the first quarter slightly lower than feared. The shares put on $1 to $34. World Airways whose loss statement for the final quarter included a qualification by the auditors, slipped $¼ to $4.

Other major reporters included Amax, the mining group, unchanged at $25½ after disclosing the expected loss for the first quarter and Alcoa also unchanged at $31⅞ on a first-quarter loss.

Dow Chemical slipped $¾ to $30, with the downturn for the quarter bringing few surprises to the market place and Marsh McLellan, the insurance broking group, were $½ firmer at $44½ on higher profits.

It was a busy day for the computer and calculator share markets, where Texas Instruments fell sharply by $3¾ to $157 after disclosing that profits had *dropped heavily in the opening quarter.* But Apple Computer, still one of the market's favourite high-flyers, gained $1¼ to $52¼ after reporting a further gain in earnings in the second quarter.

The predicted downturn in profits at R.J. Reynolds, the largest of the cigarette manufacturers, left the shares $⅝ off at $51¼. Shares in Sundstrand, the aerospace parts and power transmission group, were halted briefly as the annual meeting was told that profits could be 30 per cent down at the year-end. The shares later traded $⅝ firmer at $44½, compared with $48 last week when a fall in first-quarter results was announced.

In credit markets, Treasury bill yields gained 5 to 6 basis points with the three-month bills at a discount of 8.13 per cent and the six-month bills at 8.28 per cent. The benchmark long bond stood at 99⅞.

Wednesday's auction of $7.75bn in two-year notes was successful but yields of 9.61 per cent proved unsustainable in the market.

More significant will be the outcome of the May auction of $14.5bn in Treasury funding due for announcement next week. Municipal bonds which absorbed a heavy weight of housing finance bonds *this week, remained firm yesterday,* but corporate bonds, which face a much reduced supply of *new issues, shaded lower.*

The oil and gas sector in Toronto brought some relief to an otherwise poorer showing in golds, metals and mining. Montreal utilities, however, were among the disappointed, but gains in banks and papers lifted the overall trend.

EUROPE

Poll worries punctuate upward push

A REVIVAL on the bourses, already well under way on Wednesday afternoon, received more than ample overnight impetus from New York, and in general buying yesterday continued apace.

The two centres which were exceptions to this trend both suffered from worries about government continuity. Milan reflected fears about the possible collapse of the ruling four-party coalition, and selling prevailed across the board, *gaining in intensity through the* day.

Of the industrial leaders Fiat slid L64 to L2,761, Snia Viscosa L15 to L860 and Olivetti L51 to L2,632.

Vienna faces a general election at the weekend, at which the long-serving Socialists are being challenged both from the right and by environmentalists. Veitscher Magnesitwerke fell Sch 7 to Sch 202 but brewery Gösser managed a Sch 60 jump to Sch 315.

Vehicle issues were sought in a strong Frankfurt after industry figures showed a 20.6 per cent rise in output between February and March. Volkswagen added DM 6 to DM 179, Daimler Benz DM 3.30 to DM 541 and BMW DM 2.60 to DM 339.50.

Domestic bonds eased, and the Bundesbank absorbed DM 25.9m in paper. Upward coupon adjustments for new one to five-year government issues was a depressant.

Chemicals were sought in Zurich, providing rises of SwFr 40 for Ciba-Geigy at SwFr 1,900 and SwFr 50 for Sandoz at SwFr 5,200. But interest centred on Jacobs Suchard which achieved a SwFr 225 gain to SwFr 5,425. Domestic bonds held steady, helped by better new issue terms.

A planned share issue by Société Générale de Belgique displeased Brussels, and the stock ended BFr 5 easier at BFr 1,625 against the improving trend.

Solvay added BFr 2,720 on its return to profitability *and dividend boost.*

Activity and prices picked up in Paris *as overnight funds softened, providing* gains of FFr 16 for Midi at FFr 860 and FFr 32 in Michelin B at FFr 800.

Renewed profit-taking trimmed Amsterdam rises, but Philips was still Fl 1.60 ahead at Fl 46.20 while Ned Mid Bank recouped 50 cents of Wednesday's Fl 3.50 loss at Fl 151.

Car makers were to the fore in a booming Stockholm. *Volvo picked up* SKr 16 to SKr 454 and Saab-Scania SKr 11 to SKr 304. Norsk Data jumped NKr 10 to NKr 252.50 in Oslo on reported plans to launch non-voting shares in the U.S.

A one-point cut in Danish bank rate to 7½ per cent came too late to affect Copenhagen, where prices were still well maintained. F. L. Smidth advanced DKr 24.60 to DKr 244.60.

Electricals and oils led a Madrid upturn after 10 days of declines.

SOUTH AFRICA

Broad advance

HEAVYWEIGHT gold producers' gains ranged to R6 in Johannesburg, with Randfontein that much ahead at R177, as demand continued *vigorously.*

Gencor group mines followed the trend after quarterlies, *taking Buffels up* R2 at R67, while mining financials showed Amgold R4 *higher* at R134.50. De Beers improved 20 cents to R9.60.

Industrial gains *outnumbered losses* by almost six to one, and Toyota GA added R1 to R26 *for a rise on the week of* R6.

LONDON

Spectacular advance for industrials

LEADING London industrials resumed their recent advance in spectacular fashion yesterday. The previous two-day shake-out was forgotten as equity markets joined their U.S. counterparts in responding vigorously to news of the *strongest U.S. growth for two years and* most encouraging first-quarter figures from several leading U.S. groups, notably General Motors. ICI scored an impressive 32p rise to 468p in hectic trading after an optimistic forecast from its chairman.

The FT 30-share index ended 13.9 up at 692, 3.5 off last Friday's record high of 695.5.

Suggestions that institutional liquidity may be *drying up* were *dismissed* by yesterday's committal of sizeable funds to a whole range of stocks.

Gilt-edged experienced thin trading while market operators watched the exciting events in equities. Some attention focused on confirmation of last year's overshoot in the public sector borrowing requirement, but the effect on sentiment was negligible and quotations in all three sectors again recorded narrow irregular *movements.*

Oils shares maintained a firmer trend with BP 6p higher at 392p, but Shell managed only a modest rise of 2p to 496p. Lasmo continued to make progress with a rise of 10p to 317p.

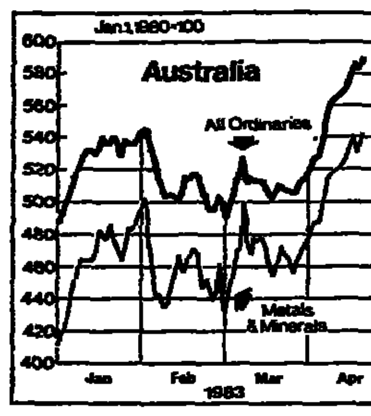
Woolworth highlighted the stores sector, rising 22p to 277p, in response to its better-than-expected annual result. Debenhams improved 4p at 124p. Amid the Harrods de-merger controversy, House of Fraser moved up 4p to 174p, while Marks and Spencer edged forward 1p to 211p.

The depression over leading *engineers, caused partly* by GKN's large cash call, quickly lifted yesterday with GKN up 10p at 161p and TI 14p higher at 164p. Babcock revived with a rise of 10p to 160p while Simon Engineering put on 8p to 425p and Davy Corporation 5p to 69p.

Elsewhere, Turner and Newall reflected recovery hopes with a rise of 4p to 47p. S. Pearson put on 4p more to 323p ahead of next Tuesday's preliminary results. Foseco Minsep added 10p at 156p and London and Liverpool Trust gained 8p to 390p. Mettoy and the Deferred each improved 4p to 45p and 39p respectively.

Dunlop dropped 3p to 52p in response to the year's loss and final dividend omission. Elsewhere in motors, Flight Refuelling put on 12p to 297p, while renewed investment demand lifted Lex Service 18p to 284p.

Share information service, Page 42–43



AUSTRALIA

Funds flow in

AN INFLUX of foreign buying, particularly from Singapore and West Germany, allowed Sydney to compensate for Wednesday's profit-taking and extend gains still further, and the market is now well beyond the levels established before the calling of last month's Federal election.

Metals this time led the way, with the sectoral index up 12.1 at 542.1, but energy and industrial issues were supported too, and a 9.3 gain by the All Ordinaries indicator at 590.5 puts it within striking *distance of the 600 level.*

CRA added 24 cents to A$5.24, Bougainville seven cents to A$2.70 and Santos 14 cents to A$5.42

Melbourne rises outpaced falls four to one.

FAR EAST

Stretched blue chips snap back

BLUE CHIPS continued to be plagued yesterday by Tokyo investors' concern that the recent buying spree had overstretched the leaders, and low-capital second-line issues were again preferred.

The Nikkei-Dow Jones market average came down 21.42 to 8,543.06, all but eradicating Wednesday's 22.62 gain. *But* the stock exchange index dipped just 1.30 to 621.12, barely *more* than half the 2.51 advance achieved in the previous session, and the second market continued upward for the ninth day.

Turnover in the first section was a moderate 320m units and in the second a lively 15.5m.

Leading light electricals, which have been at the forefront over the past few weeks, slipped back, while shares of smaller companies in the same sector remained in demand.

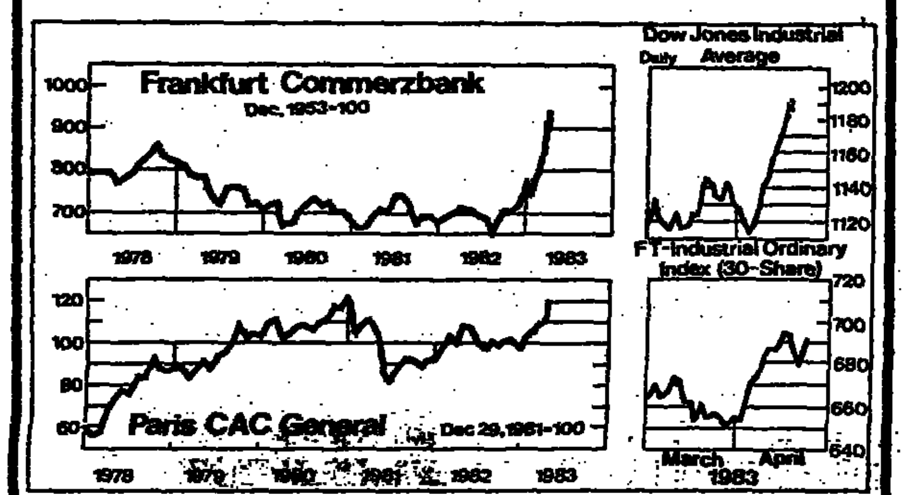
Additional pressure came from selling of issues which had been bought on margin during a previous bullish phase last October: such purchases must be settled within six months. Liquidation of margin buying positions particularly affected metals, although Nippon Light Metal – the day's volume leader on 11.52m shares – managed to firm Y1 to Y267.

Disappointment at the Bank of Japan's *reluctance to cut the 5½ per cent* discount rate brought domestic bonds lower.

A retreat continued in Hong Kong after a stronger opening gave way to fears of further prime rate rises. The Hang Seng index slipped 8.89 to 1,001.48 but volume was on the thin side at HK$157.16m as overseas invstors held back.

Selective and nervous Singapore advances allowed the Straits Times industrial index to improve 9.36 to 912.09. Vehicles were favoured, with Cycle and Carriage up 15 cents at S$6 and UMW 10 cents at S$3.58, reportedly on heavy buying by one local concern.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	April 21	Previous	Year ago
DJ Industrials	1188.27	1191.47	843.42
DJ Transport	531.13	531.53	342.03
DJ Utilities	127.49	128.05	112.52
S&P Composite	*159.97**	*160.71*	*115.72*
LONDON			
FT Ind Ord	692.0	678.2	569.0
FT-A All-share	439.00	433.71	325.95
FT-A 500	*477.81*	*471.55*	352.75
FT-A Ind	440.83	435.07	319.35
FT Gold mines	649.2	626.1	250.7
FT Govt secs	81.60	81.64	67.67
TOKYO			
Nikkei-Dow	8543.06	8564.48	7280.58
Tokyo SE	621.12	622.42	532.31
AUSTRALIA			
All Ord.	590.5	581.2	482.6
Metals & Mins.	542.1	530.0	351.7
AUSTRIA			
Credit Aktien	54.6	54.74	52.30
BELGIUM			
Belgian SE	121.66	120.83	98.32
CANADA			
Toronto Composite	2321.9	2322.3	1585.91
Montreal Industrials	393.62	392.90	287.08
Combined	*387.02*	*386.44*	*272.44*
DENMARK			
Copenhagen SE	n/a	137.21	94.05
FRANCE			
CAC Gen	120.0	119.3	106.4
Ind. Tendance	125.4	124.0	116.0
WEST GERMANY			
FAZ-Aktien	315.97	312.0	236.75
Commerzbank	*947.40*	*937.1*	721.1
HONG KONG			
Hang Seng	*1001.48*	*1010.37*	1193.77
ITALY			
Banca Comm.	191.11	*195.6*	190.06
NETHERLANDS			
ANP-CBS Gen	126.4	125.3	92.0
ANP-CBS Ind	105.1	104.3	72.0
NORWAY			
Oslo SE	170.49	168.64	101.36
SINGAPORE			
Straits Times	912.09	902.73	761.05
SOUTH AFRICA			
Golds	908.1	882.6	438.1
Industrials	931.9	924.4	586.7
SPAIN			
Madrid SE	110.95	109.85	123.14
SWEDEN			
J & P	1396.85	1359.2	576.35
SWITZERLAND			
Swiss Bank Ind	318.6	315.4	259.0
WORLD	Apr 20	Prev.	Yr ago
Capital Int'l	174.2	172.9	133.6

GOLD (per ounce)

	April 21	Prev
London	$437.50	$434.50
Frankfurt	$439.50	$434.50
Zürich	$439.50	$433.75
Paris (fixing)	$439.62	$432.97
New York (April)	$435.60	$438.80

* indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR April 21	U.S. DOLLAR Previous	STERLING April 21	STERLING Previous
£	1.5435	1.5495	–	–
DM	2.4555	2.4590	3.7925	3.8125
Yen	236.40	237.25	365	368
FFr	7.3625	7.3725	11.36	11.4225
SwFr	2.0630	2.0670	3.1875	3.2050
Guilder	2.7650	2.7690	4.27	4.2925
Lira	1462.50	1464.25	2257	2268.50
BFr	48.88	48.99	75.45	75.95
C$	1.23025	1.23425	1.8985	1.9125

INTEREST RATES

Euro-currencies (three month offered rate)	April 21	Prev
£	10½	10⅝
SwFr	4⅝	4 11/16
DM	4 13/16	5 1/16
FFr	12¾	13⅜
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 1/16	9⅛
6-month U.S.$	9 7/16	9 7/16
U.S. Fed Funds	8⅝	8⅝
U.S. 3-month CDs	8.75	8.80
U.S. 3-month T-bills	8.14	8.08

U.S. Treasury Bonds

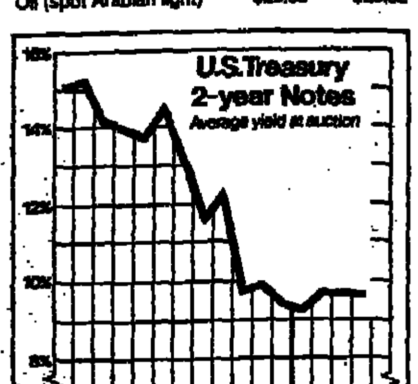
	April 21 Price	April 21 Yield	Prev Price	Prev Yield
9½ 1985	101	8.94	100 29/32	9.50
10½ 1990	101 5/32	10.27	101 11/32	10.22
10⅜ 1993	103	10.22	103 3/32	10.34
10⅜ 2012	99 3/32	10.48	99 5/32	10.46

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	77–11	77–25	77–10	77–24
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.69	91.79	91.68	91.79
Cert Deposit (IMM) $1m points of 100%				
June	91.11	91.22	91.09	91.18
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.86	90.92	90.85	90.88
20-year Notional Gilt £50,000 32nds of 100%				
June	105-06	105–12	104-31	105-08

LONDON COMMODITY MARKETS

	April 21	Prev
Silver (spot fixing)	805.30p	785.65p
Copper (cash)	£1106.00	£1093.00
Coffee (May)	£1765.50	£1758.50
Oil (spot Arabian light)	$28.65	$28.82



NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
12¾	5¾	AAR	.44	3.7	18	103	12¼	11¾	12	+ ⅛
38	27½	ACF	2.76	7.9	9	216	35½	35	35	
20	12¼	AMF	1.36	7.8	33	4059	17⅝	16⅝	17½	+ ½
29⅜	13¼	AMRCp				4036	u29¼	28½	28⅞	+ ¼
14⅞	4	AMR	wt			2072	u15⅛	14½	14⅞	+ ¼
18¼	12⅞	AMR	pf2.18	12.		30	17⅞	17⅜	17⅝	
35¼	24⅞	AMR	pf2.13	6.3		842	u34⅞	33¾	33½	+ ½
6⅜	2½	APL				175	6⅜	6	6⅜	+ ⅜
47⅞	24⅝	ARA	2.05	4.3	14	96	47½	47⅛	47¼	− ⅛
75⅜	24½	ASA	3a	4.3		689	71⅞	69½	69⅞	−1½
28¼	13⅜	AVX	.32	1.2	35	165	27	26¾	26⅞	− ⅛
45¾	27⅜	AbtLab	1	2.2	19	1643	u46½	45½	45⅝	
29¾	25½	AccoW	n.12e	.4	21	38	28	27⅞	27⅞	− ⅛
22½	15⅞	AcmeC	.40	2.0	23	58	21	20¾	20½	
12⅞	5¾	AcmeE	.32b	2.8	30	104	11⅞	11	11⅞	+ ⅛
19⅞	4¼	AdaDg	.04	.2	18	198	u19⅞	19¼	19⅝	+ ⅜
17⅞	12½	AdaEx	1.73e	11		109	16⅞	16⅜	16⅞	+ ⅛
12⅞	4⅞	AdmMl	.20a	1.6	16	378	u12⅞	11⅞	12⅛	− ¼
24⅛	12⅜	Advest	s.16	.7	15	110	23⅞	23¾	23¾	− ⅛
39¾	13	AMD	s		49	1280	38⅞	37⅞	37⅞	− ⅜
44⅞	22⅞	AetnLf	2.64	6.4	9	1653	42	41¼	41⅜	− ⅜
65	52⅞	AetL	pf3.70e	6.4		18	58⅛	58¼	58¼	− ½
38½	8	Ahmns	.60	1.6		3174	u38⅝	37¾	38⅜	+ ⅝
4	2⅞	Aileen				142	3⅞	3⅞	3⅞	+ ⅛
45⅞	23⅞	AirPrd	.80	1.8	13	1291	44¾	43⅞	43⅞	− ⅝

[illegible]

B-B-B

[illegible]

C-C-C

[illegible]

D-D-D

[illegible]

E-E-E

[illegible]

F-F-F

[illegible]

G-G-G

[illegible]

H-H-H

[illegible]

I-I-I

[illegible]

J-J-J

[illegible]

K-K-K

[illegible]

L-L-L

[illegible]

M-M-M

[illegible]

N-N-N

[illegible]

Continued on Page 39

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 40

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 38

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 40

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

LONDON

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (157)

INT BANK & O'SEAS GOVT STLG ISS (7)
LOANS (1)
FOREIGN BONDS (2)
AMERICAN (17)
CANADIANS (9)
BANKS (3)
BUILDING (4)
CHEMICALS (6)
DRAPERY & STORES (9)
ELECTRICALS (2)
ENGINEERING (10)
FOODS (1)
HOTELS (4)
INDUSTRIALS (21)
INSURANCE (2)
LEISURE (1)
MOTORS (3)
NEWSPAPERS (5)
PAPER (1)
PROPERTY (4)
SHIPPING (2)
SOUTH AFRICANS (5)
TEXTILES (1)
TRUSTS (20)
OIL & GAS (7)
PLANTATIONS (4)
MINES (12)

NEW LOWS (12)

CHEMICALS (1)
Anchor Chemicals
ELECTRICALS (1)
Cont. Microwave
ENGINEERING (1)
Greenbank
INDUSTRIALS (3)
Anglo Nordic, Ldn Private Health, Sheldon Jones
PROPERTY (1)
Ldn Shop Pty 6½pc 84
TEXTILES (2)
Stirling Group, Stroud Riley
OIL & GAS (2)
Atlantic Res., Oilfield Ins. Services
MINES (1)
Admiral Mines

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Arlen Elect	355	+ 5
Babcock Int	160	+10
Dunlop	52	− 3
Fobel	182	+10
GKN	181	+10
ICI	468	+32
Lex Service	284	+18
Pres Steyn	£35¾	+ 1⅛
TI	164	+14
Tate and Lyle	320	+12
Turner and Newall	47	+ 4
Woolworth	277	+22

ACTIVE STOCKS WEDNESDAY'S

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Arlen Elec	29	350	+ 9
Glaxo	24	942	−18
BAT Inds	19	650	+15
Rank Org	19	165	+ 7
Plessey	17	595	− 8
Dubilier	15	131	−17
Lon & Liv	15	382	+ 8
Security Cntrs	15	490	+20
Hawker Sid	14	382	+10
ICI	14	436	− 4
LASMO	14	307	+ 7
Smith (WH) A	14	258	− 2
BP	13	386	—
Minet	13	138	—

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Apr 18	Apr 29	July 14	July 25
May 3	May 13	July 28	Aug 8
May 16	May 27	Aug 11	Aug 22

For rate indications see end of Share Information Service

Money was given for the call of Hawley Group, Mettoy, South West Resources, London and Liverpool, Turner and Newall, Capper-Neill, Yorkshire Chemical, Immediate Business Systems and KCA International. Polly Peck were dealt in for the call, while double options were arranged in Bellair and Polly Peck.

RISES AND FALLS

	Rises	Falls	Same
British Funds	22	28	49
Corpns. Dom. and Foreign Bonds	17	2	60
Financial & Props.	189	59	260
Plantations	5	2	15
Oils	37	13	60
Mines	100	5	48
Others	116	14	42

FINANCIAL TIMES STOCK INDICES

	April 21	April 20	April 19	April 18	April 15	April 14	year ago
Government Secs.	81.60	81.64	81.68	82.19	82.09	82.11	67.67
Fixed Interest	84.04	84.03	84.18	84.36	84.16	84.27	68.19
Industrial Ord.	692.0	678.2	685.2	695.0	695.5	688.9	569.0
Gold Mines	649.2	626.1	648.6	657.9	651.8	640.6	250.7
Ord. Div. Yield	4.52	4.60	4.55	4.52	4.53	4.61	5.52
Earnings, Yld.% (full)	9.20	9.36	9.26	9.18	9.22	9.34	11.03
P/E Ratio (net) (*)	13.18	12.98	13.12	13.23	13.18	13.02	11.36
Total bargains.	23,858	23,500	24,663	25,612	27,085	25,167	15,210
Equity turnover £m.	—	320.47	367.91	253.81	248.98	217.72	151.7
Equity bargains	—	21,262	25,629	25,065	23,282	21,895	12,550
Shares traded (ml)	—	205.4	211.5	140.7	145.6	139.2	94.2

10 am 686.0. 11 am 686.4. Noon 691.6. 1 pm 696.6.

2 pm 695.3. 3 pm 692.8.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/58. SE Activity 1974.

Latest Index 01-248 8026.

Nil = 12.31.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (11/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.36 (18/4)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	695.5 (15/4)	598.4 (12/1)	695.5 (15/4/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (29/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	April 20	April 19
—Daily Gilt Edged Bargains	162.9	167.1
Equities Bargains	137.8	165.1
Value	647.7	748.6
5-day Avrge Gilt-Edged Bargains	196.2	194.0
Equities Bargains	151.8	152.3
Value	569.5	684.5

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur April 21 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed April 20 Index No.	Tue April 19 Index No.	Mon April 18 Index No.	Fri April 15 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (206)	477.15	+1.6	8.25	3.61	15.27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (25)	446.40	+0.8	9.41	4.34	12.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (30)	791.32	—	11.39	4.32	10.60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (33)	1809.23	+2.1	6.63	1.94	19.41	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering, Contractors (10)	495.83	+2.1	14.51	6.06	8.46	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (64)	220.85	+1.9	10.79	5.27	11.44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (11)	182.73	+2.3	10.52	6.28	11.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	Motors (18)	103.34	+1.6	0.46	5.82	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Other Industrial Materials (17)	456.04	+0.9	7.15	4.71	18.36	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GROUP (201)	436.34	+0.8	9.79	4.16	12.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Brewers and Distillers (23)	458.89	+1.2	11.08	4.67	11.02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (21)	343.53	+1.0	13.55	5.57	8.61	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (14)	869.53	+0.1	7.45	2.84	16.89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Health and Household Products (8)	876.22	+1.3	4.88	2.15	24.33	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	Leisure (24)	548.27	+0.2	7.22	4.39	18.15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (14)	811.64	+0.6	7.72	4.61	16.95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (14)	162.24	+0.8	12.58	6.12	9.37	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (48)	379.66	+0.6	7.88	3.66	16.89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (22)	287.09	+2.0	12.56	5.41	9.55	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	451.95	−0.1	21.12	6.84	5.30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Other Consumer (10)	382.12	+0.4	6.62	3.82	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (79)	355.95	+2.7	8.55	4.58	14.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (15)	491.97	+6.3	8.09	4.89	15.41	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (6)	111.68	+1.6	7.89	4.83	16.30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping and Transport (14)	665.72	+0.2	11.36	6.11	10.67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (44)	477.34	+0.2	8.40	3.89	14.47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (486)	440.85	+1.3	9.89	4.03	13.53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (14)	883.83	+1.1	12.37	6.64	9.87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	477.61	+1.3	9.61	4.84	12.78	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (121)	324.46	+1.1	—	5.72	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	347.88	+2.4	25.80	7.22	4.28	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (8)	313.87	+0.4	—	7.77	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (9)	412.87	—	—	5.27	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (10)	215.06	+1.3	—	6.90	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

FIXED INTEREST

Indices

NEW YORK

NEW YORK STOCK EXCHANGE CLOSING PRICES

Continued from Page 39

NEW YORK

Continued from Page 39

COMMODITIES AND AGRICULTURE

Government boost for pigmeat exports

BY RICHARD MOONEY

BRITAIN'S PIG producers received more good news yesterday when Mr Peter Walker, the Agriculture Minister, said in Parliament that the Government had decided to relieve the industry of the cost of slaughterhouse veterinary inspections required under EEC rules for export consignments.

Mr Jim Blanchard, chairman of the National Farmers' Union's pigs committee, said this would reduce export costs by at least £2 a carcass (about 3½p a kilo). The move, which covers all UK meat exports, will cost the Exchequer around £2.5m a year.

It is the third boost for pig farmers announced this week. First the EEC Commission decided to lift export subsidies on pigmeat by 60 per cent, or £90 a tonne, then it announced a plan to offer 2m to 3m tonnes of cut-price grain for use in livestock feed.

All three concessions have been the subject of an NFU campaign, lead by Mr Blanchard, for action to ease the depression in the UK pig farming sector caused by reduced prices and escalating feed costs. As a result many producers were claimed to be losing up to £18 on every pig they sent to market.

Mr Blanchard said yesterday that the elimination of veterinary costs coupled with the higher export refunds "should provide a considerable incentive for our trade to become more involved in exporting activities."

But he repeated his call for the fourth item on the pig lobby's shopping list—financial aid for the improvement of processing facilities.

UK Government grants of between 8 and 25 per cent for bringing slaughterhouses up to EEC approved export standards would qualify the recipients for further 25 per cent grants from the Community farm fund. Mr Blanchard said these improvements were necessary to enable the UK industry to take full advantage of the improved export opportunities.

EEC officials will meet representatives of Community livestock farmers and animal feed compounders in Brussels today to discuss the Commission's subsidised feed plans. These are expected to result in cut-price surplus wheat from EEC intervention stores being offered to buyers who can prove their purchases are extra to their normal consumption.

The proposal is mainly aimed at reducing the Common Market's growing surplus of grain but is also seen as a short-term palliative for the European livestock industry.

The decison to take over veterinary costs represents something of an about-turn by Mr Walker who has previously dismissed pig farmers' pleas for help saying that their problems were of their own making.

Meat futures go-ahead

BY OUR COMMODITIES EDITOR

THE GO-AHEAD for the development of a meat futures market in London was approved yesterday at a meeting organised by the Grain and Food Trade Association (Grafta) for about 40 representatives from all sections of the meat industry.

It was decided that Grafta, which already backs the UK grain and potato futures markets, should convene a formation committee.

This will concentrate initially on a futures conract for pig carcasses and later to look at the prospects for manufacturing beef. Both these receive only limited support under the Common Agricaultural Policy and are subject to wide price fluctuations.

It is considered that it will take about a year to work out the details, so a likely starting date for the new market is next spring.

Chinese buying lifts copper prices

REPORTS of further Chinese buying lifted copper prices again on the London Metal Exchange yesterday. The cash price of high grade copper closed £13 up at £1,106 a tonne and the market moved further ahead in after-hours trading.

Nickel futures also advanced strongly, with the cash price gaining £70 to £3,185 a tonne. The two leading Canadian producers, International Nickel and Falconbridge, both forecast rising demand for nickel this year. Mr D. J. Phillips, Inco president, predicted non-Communist world demand would rise to more than 7bn lbs this year against 980m lbs in 1982.

● LARGE RISES in the cost of natural rubber since November have little to do with economic fundamentals and are likely to fal back later in the year said Klaus Mocker, chief executive officer of the West German Rubber Industry Association. He said the rise of about 50 per cent was the result of purchases by the Buffer Stock Manager and Malaysia.

● THE AUSTRALIAN Workers' Union is recommending an end to the four-week-old sheep shearers' strike so that it can take the wide combs dispute back to arbitration, said Ralph Willis the Employment and Industrial Relations Minister.

● GROWTH IN Malaysia's crude palm oil production will be slow this year and is expected to total about 3.8m tonnes said Paul Leong, Primary Industries Minister. Last year's production was 3.51m tonnes.

EUROPEAN SUGAR beet sowings have been estimated at 7.609m hectares by West German statistician F. O. Licht. This is 106,000 hectares below his previous estimates and well down on last year's 7.8m hectares.

Sharp rise in Soviet timber prices

BY A CORRESPONDENT

SHARP INCREASES in the prices of Soviet softwood are apparent in the second schedule which was circulated to the importing trade yesterday, exactly three months after the first.

Taken over the five main grades the increases range from 14.7 per cent to 10.5 per cent, but the sellers point out that in the months since the first schedule in January world softwood prices have risen and the present Russian offers compare well with the prices of the Scandinavian producers.

The nominal amount of the second schedule is 145,000 cubic metres. The trade believes that the Soviets sold around 780,000 cubic metres against the first schedule and that htey have about 400,000 cubic metres remaining available for export to the UK this year.

It seems likely that not all of this wood will be sold against the second schedule which covers wood for shipment in the period September-November/December but that some will be held back for offer December-January.

If Exportles, the Soviet selling organisation for forest products, succeeds in placing these quantities it will give them more than 18 per cent of the total softwood sales to Britain for this year which is forecast at 8.5m cubic metres.

The importing trade seems set to welcome the schedule and it will meet a good response. The trade sees it as confirming the gradual rise in softwood prices which has marked this year and this will come as a relief to producing mills everywhere (including the UK) which for the past three years have struggled against uneconomic prices but have been unable to raise them in slack markets.

If the importers have any doubts it is that the whitewood (spruce) in the schedule, which has risen by more than 10 per cent may be priced a somewhat high. This wood is favoured by the trade's customers in Scotland and Ireland where the price may meet resistance.

The currency clause in the schedule fixes the parity at SKr 11.50 to £1 with bands on either side for adjustment for currency movements.

The Soviets have come out when the softwood trade is feeling more optimistic. At the time of the first schedule in January is was thought that the second would follow within weeks, but indications that world prices were firming no doubt led Exportles to hold back for as long as possible commensurate with having to put together cargoes and shipping for the large amount of wood in a relatively short time.

Expectation of a continuing gradual rise in prices also no doubt explains the decision to hold back some wood for later. The improving economic outlook and in particular the good figures for housing starts may prove that they will be right.

Ringerpest appeal

By James Buxton in Rome

RINGERPEST, an often fatal disease affecting cattle and buffaloes, is killing large numbers of animals in several African countries and the UN Food and Agriculture Organisation in Rome has launched an appeal to combat the disease.

Last year about 30,000 cattle in Sudan died from the disease and by the end of March 152 outbreaks had been reported in Nigeria. The disease has also been detected in Egypt, Ethiopia, Mali, Ghana and Benin.

Ringerpest, also known as cattle plague, was sharply reduced by a campaign in the 1960s but flared up again in 1980. A meeting in Brussels, in June, will discuss a $83m (£53m) programme to vaccinate 120m cattle in 28 countries

FARMER'S VIEWPOINT

Common agricultural policy is still the culprit

BY JOHN CHERRINGTON

FARMERS who complained noisily about the recently-screened World in Action television programme Harvest Gold should remember the adage "sticks and stones can break my bones but words can never hurt me."

The programme relied heavily on Mr Richard Body's book, Agriculture — the Triumph and the Shame, for its inspiration. It showed British farming as an industry despoiling our heritage, the countryside, while sucking in vast subsidies from the taxpayer, high prices from the consumer, and enjoying almost absolute freedom from the taxation which afflicts the rest of the nation.

The argument was supported by some incredibly honest farmers. Mr Hugh Batchelor from Kent for instance, who was committed to prison for failing to obey an order not to bulldoze out some trees. Filmed on the site of his activities, he cheerfully admitted changing the landscape in the interests of modern farming. Was he subsidised in this? "Of course" he replied, but it was unclear just how much was paid by the taxpayer. Drainage if necessary, certainly is; so is some approved scrub clearance and farm building. But its doubtful if his differences with the local council over removing parts of the landscape were.

Mr Wharton in Norfolk — to my knowledge a most efficient farmer said his speciality was draining fen land and making it most productive. Like the other farmers interviewed he believed it is his duty to make the best of the acres under his control. All of them admitted to making profits, without which they would not have carried on. They admitted that the milk would probably have to be in and grain they were producing part "dumped" in overseas markets, but their duty was to make the best of situation as they found it.

Contrary to what was implied in the programme farmers do pay rates on their farm houses and cottages, although not on land and farm buildings. They pay tax on their profits as individuals and corporations on the same basis as every one else.

Sir Richard Butler, National Farmer's Union president, said tht farmers deserved their good fortune because they worked seven days a week from morning until night. Their income increase, thanks to the protection against imports and high guaranteed prices provided by the EEC, was no more than their due, he said.

All this contains nothing new, the accusations have been repeated ad nauseam, by consumers and conservationists to say nothing of some economists for years. The culprit is quite simply the common agricultural policy (CAP) which Britain had to adopt on joining the EEC.

The CAP lays down a scale of prices for farm produce acceptable to the small farmers of Europe. But when applied to the much larger British farms it provides an incentive for more and more production. Farmers canot be blamed for making the best of such a situation. Mr John Silkin, once Agriculture Minister, was filmed saying that the NUF was the most powerful loby in the country. However, farm policy is no longer made in Britain but in Brussels where the NFU is but one voice among 10.

Farmers have been stimulated into improving their farms and this is where they fall foul of the conservationists. Taxe the vexed matter of drainage. There is a disease of sheep and cattle called liver fluke which attacks the liver and eventually kills the animals.

The fluke is a parasite which begins its life cycle in a tiny water snail. The snails flourish in wet boggy patches and it is common sense for farmers to drain these.

Peaty soil is often of very good quality for arable farming, so sceing open ended guarantees for cereals and sugar beet stretching into infinity they drain this land. Many would probably find it worth their while to do this without the draingage grants. Farmers cannot understand why their interests should be subordinated to those of butterflies, 'rare" plants which they would call weeds, and even water snails.

There seem to be two options which might defuse the criticisms. To reform the CAP so that those farmers and countries which over-produce should suffer the financial consequences of their excess. The other is to protect the whole of EEC industry on the same scale as farming so that the critics would have nothing to be jealous about.

> A COMPROMISE between the interests of farming and conservation has been called for by the Kent branches of the NFU and the Country Landowners' Association. They said that they deplore land clearance by anyone who acts without regard to the effect on the countryside an dthe landscape. All responsible NFU and CLA members should strive towards an acceptable compromise between the demands of effective huhusbandry, practical conservation and the appearance of the local area.

PRICE CHANGES

In tonnes unless stated otherwise	Apr. 20 1983	+ or —	Month ago
Metals			
Aluminium	£880		£810/815
Free Mkt	$1180/1200	+10	[illegible]
Copper			
Cash h grade	£1106	+13	£1081
3 mths	£1133.25	+13	£1113.75
Cash Cathode	£1102	+24.5	£1057.75
3 months	£1113.5	+14	£1089.5
Gold troy oz	$437.5	+3	$415
Lead Cash	£296.5	+1.5	£299.5
3 months	£307.625	+1.375	£310.75
Nickel	£4855		£4611
Free mkt	210/240c		220/250c
Palladium	$127.25	+1.75	$99.25
Platinum	$271.85	+2.85	£257.95
Quicksilver†	$300/320		$305/340
Silver troy oz	805.30p	+38.65	722.50p
3 mths	824.40p	+40.85	740.50p
Tin cash	£8965	—10	£9157.5
3 month	£8820.5	—4.5	£9182.5
Tungsten	$85.28		$83.75
Wolfram 22.04 lb	$80/81		$80/81
Zinc Cash	£456.5	+6	£467.5
3 mths	£471.25	+6	£483.25
Producers	$750		$750

	Apr. 20 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$565y	—10	$495
Groundnut	‡		‡
Linseed Crude	£325		‡
Palm Malayan	$422.5z	—2.5	$395
Seeds			
Copra Phil	$375y	—10	$325
Soyabean (U.S.)	$255.5	+0.5	$256.5
Grains			
Barley Fut. Sep	£111.00	—0.85	£110.75
Maize	£146.00z	+0.5	‡
Wheat Fut. Jul	£135.30	—0.40	£138.35
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1508	—4	£1294
Fut. July	£1267.5	—4	£1258.5
Coffee Ft. July	£1611	+20.5	£1599.5
Cotton A. Index	80.50c	—0.1	80.10c
Gas Oil May	$250.25	+2.75	$232.5
Rubber kilo	74p	—2	74p
Sugar (Raw)	£114wx	+1	£108
Wool'ps 64s	394p kilo		488p kilo

‡ Unquoted. z May. x June. y May-June. v April-June. w April-May. † Per 76-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.80-28.95	+0.85
Iranian Light	28.05-28.10	—
Arabian Heavy	26.20-26.40	+0.05
North Sea (Forties)	29.60-29.65	+0.02
North Sea (Brent)	29.85	+0.85
African/Bonny L'ht	29.85-30.20	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	304-312	+4.5
Gas oil	246-258	+1.5
Heavy fuel oil	162-166	—

GAS OIL FUTURES

Prices were nervously steady in a narrow range during the morning, having opened about $3.00 higher in response to the New York close and stock figures. A disappointing New York opening moved prices to the lows where they stayed, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
April	251.00	+0.50	253.00-51.00
May	250.25	+2.75	252.00-50.25
June	248.25	+2.25	250.00-48.25
July	247.25	+1.25	249.50-47.25
Aug	249.00	+2.50	250.25-49.00
Sept	252.00	+2.00	253.00-52.00
Oct	254.00	+2.50	255.25-54.00
Nov	257.00	+1.50	257.00
Dec	259.00	+2.50	259.50

Turnover: 2,549 (2,486) lots of 100 tonnes.

GOLD MARKETS

Gold rose $3 an ounce from Wednesday's close in the London bullion market yesterday to finish at $437-438. The metal opened at $438¼-439¼ and traded between a high of $441-$442 and a low of $436¾-437¾. Trading was extremely quiet for most of the day, with the firmer trend reflecting a rise in silver values.

In Frankfurt the 12½ kilo bar was fixed at DM 34,625 per kilo ($439.01 per ounce) against DM 34,395 ($435.01) and closed at $439-440 from $433¾-434¾.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $441.0 from $433.5.

In Paris the 12½ kilo bar was fixed at FFr 104,000 per kilo ($439.62 per ounce) in the afternoon compared with FFr 104,350 ($440.90) in the morning and FFr 102,700 ($432.97) on Wednesday afternoon.

In Zurich gold closed at $438-$441 against $433¼-434¼.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
April	437.00-38.0	+2.750	—
May	438.50-38.5	+3.000	—
June	441.80-42.0	+2.550	446.50-441.00
July	444.80-46.4	+3.100	—
August	448.30-48.8	+2.900	451.50-448.50
Sept	451.50-52.5	+2.150	—
Oct	454.70-56.8	+2.600	—

Turnover: 882 (565) lots of 100 troy ounces.

	April 21		April 20	
Gold Bullion (fine ounce)				
Close	$437-438	(£283-283½)	$434-435	(£279-279½)
Opening	$438¼-439¼	(£283¼-284)	$433-434	(£278¾-279½)
Morning fixing	$440.50	(£285.298)	$434	(£279.243)
Afternoon fixing	$439.50	(£284.505)	$433.75	(£278.813)

Gold Coins Apr. 21

Krugrnd	$450-451	(£291¼-291¾)	King Sov	$105-106½	(£68-69)
½ Krg	$239¼-240¼	(£155¼-156)	Victoria Sov	$105-106½	(£68-69)
¼ Krg	$118½-119½	(£77-77¾)	French 20s	$90½-92¼	(£58½-59¾)
1/10 Krug	$50-51	(£32¼-33)	50 pesos Mex	$542-546	(£351-353¼)
Mapleleaf	$448½-449½	(£290¾-291¼)	100 Cor. Aust	$429-433	(£278-280¾)
New Sov	$103½-104	(£67-67½)	$20 Eagles	$573-585	(£372¾-379¼)
½ New Sov	$62-63	(£40¼-40¾)			

EUROPEAN MARKETS

ROTTERDAM, April 21.

Wheat—(U.S. $ per tonne): U.S. No Two Red Winter May 157, June 155, July 154, August 156. U.S. No Three Amber Durum April/May 193, May 104, June 192, July 190, August 190. U.S. No Two Northern Spring 14 per cent May 190, June 182, July 180.50, Aug 179. Canadian Western Red Spring April/May 207, June 205.

Maize—(U.S. $ per tonne): U.S. No Three Yellow spot 151, April 147.25, May 144.50, June 145, July/Sept 143.50, Oct/Dec 137, Jan/March 143 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports spot 247.95, May 250.40 traded; April 249.50, May 250.75, June 252, July 254, Aug 256.25, Sept 258, Oct 259.75, Nov 259.75, Dec 262.75, Jan 267.25, Feb 271.25, March 274.25 sellers. Paraguay May 248 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent May 219.50, Nov/March 236 traded; afloat 221, April 220, May 219, April/Sept 221, Nov/March 238 sellers. Pellets Brazil afloat 225, April 224, May 223 traded; afloat 225, April 224, May 224, May/Sept 228 sellers.

PARIS, April 21.

Cocoa—(FFr per 100 kg): May 1405/1410, July 1425 bid, Sept 1490/1494, Dec 1513/1516, Mar 1535/1580.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER PRICES gained further ground on the London Metal Exchange as general buying interest coupled with talk of renewed Chinese purchases lifted forward metal to £1,138 on the late kerb. Physical demand boosted TIN to £8,910 before profit-taking left three months at £8,850 on the kerb. LEAD and ZINC were finally £309 and £473 respectively while NICKEL closed at £3,247.5, after £3,280.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1109.5-10	+25.5	1105.5-6.5	+13
3 months	1135-.5	+25	1133-.5	+13
Settlem't	1110	+25.5	—	......
Cathodes				
Cash	1099-1100	+26	1101-3	+24.5
3 months	1118-20	+26	1113-4	+14
Settlem't	1100	+26	—	......
U.S. Prod.	—	—	*79-85	......

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1110.00, 09.50, 10.00, three months £1140.00, 39.00, 38.00, 39.00, 38.5, 39.00, 38.00, 37.00, 38.00, 37.00, 37.50, 37.00, 38.50. Cathodes: Cash £1096.00, 97.00. Kerbs: Higher Grade: Three Months £1136.50, 36.00, 37.00, 37.50, 38.00. Afternoon: Higher Grade: Three months £1137.00, 36.00, 35.50, 34.00, 33.00, 33.50, 33.00, 33.50. Cathodes: Cash £1098.00, 99.00, 1103.00. Kerb: Higher Grade: Three months £1133.50, 34.00, 34.50, 35.00, 36.00, 35.50, 36.00, 36.50, 37.00, 38.00, 39.50, 39.00, 38.50, 38.00, 37.50, 38.00. Turnover 43,200 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8930-40	+130	8870-80	......
3 months	8885-95	+132	8820-1	—4.5
Settlem't	8940	+130	—	......
Standard				
Cash	8930-5	+127	8860-70	—10
3 months	8885-95	+132	8820-1	—4.5
Settlem't	8935	+125	—	......
Straits E.	$31.65	......	—	......
New York				

Tin—Morning: Standard: Cash £8935, Three months £8910, 8900, 8890. Higher Grade: Cash £8945. Standard: Kerb: Three months £8880, 70. Afternoon: Standard: Three months £8860, 40, 20, 10, 20, 21, 20. Standard: Kerb: Three months £8816, 20, 25, 20, 15, 20, 40, 30, 40, 50. Higher Grade: Cash £8900. Turnover 2410 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	298.75-9	+4.75	296-7	+1.5
3 months	309.25-10	+4.12	307.5	+1.57
Settlem't	299	+4.25	—	......
U.S. Spot	—	......	*21-24	......

Lead—Morning: Cash £299.00, 98.50, 98.75. Three months £309.50, 09.75, 10.00, 09.00, 09.50, 09.75, 10. Kerb: Three months £310.00. Afternoon: Cash £298.00; Three months £309.00, 09.50, 09.00, 08.50, 08.00, 07.75, 08.00. Kerb: Three months £308.00, 9.00. Turnover 11,175 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	456.5-7.5	+6.75	456-7	+6
3 months	471-.25	+6.25	471-.5	+6
Settlem't	457.5	+7	—	......
Primw'ts	—	......	*38-40.5	......

Zinc—Morning: Cash £457.00, three months £471.00, 70.50, 71.00, 72.00, 71.50. Kerb: Three months £471.50. Afternoon: Three months £472.00, 71.50, 71.00, 71.50. Kerb: Three months £472.00, 72.50, 73.00, 73.50, 74.00. Turnover 9875 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	885.5	+15.5	882.5	+11
3 months	911.5-2	+18.2	908.5-9	+11.5

Aluminium—Morning: Three months £913.00, 14.00, 15.00, 16.00, 15.00, 14.50, 14.00, 13.00, 12.00, 11.00, 11.50, 12.00. Kerb: Three months £912.00, 11.00, 10.00. Afternoon: Three months £909.00, 10.00, 9.50, 9.00, 10.00, 9.50, 9.00, 8.50. Kerb: Three months 9.00, 9.50, 10.00, 11.00. Turnover 10475 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3175-85	+128	3160-70	+70
3 months	3263-9	+188	3250-1	+74

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel—Morning: Three months £3280, 75, 78, 70, 60, 50, 60, 61, 65. Kerb: Three months £3270. Afternoon: Three months £3253, 52, 55, 50, 51, 50. Kerb: Three month 3240, 45, 50. Turnover 1692 tonnes.

SILVER

LME—Turnover: 210 (126) lots of 10,000 ozs. Morning: Three months 824.5, 25.0, 24.5, 24.0, 26.0, 25.5, 25.0, 24.5, 25.0, 25.5. Kerb: Three months 825.5, 25.0. Afternoon: Three months 812.0, 13.0, 14.0, 15.0, 14.0, 15.0, 16.0, 15.0, 14.0. Kerb: Three months 814.0, 13.0, 13.5, 14.0, 13.0, 14.0, 15.0.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficl	+ or —
Spot	805.30p	+38.6	794.5p	+17.5
3 months	824.40p	+40.1	814.5p	+18.7
6 months	843.70p	+42.4	—	......
12months	878.90p	+41.4	—	......

Silver was fixed 38.65p an ounce higher for spot delivery in the London bullion market yesterday at 805.3p. U.S. equivalents of the fixing levels were: spot $12.422, up 51.2c; three-month $12.684, up 52c; six-month $12.884, up 54c$ and 12-month $13.500, up 52.0c. The metal opened at 794-796p ($12.30-12.34) and closed at 793-795p ($12.25-12.29).

COCOA

After opening higher following the New York close, prices mainly traded in a narrow range. Towards the close liquidation pushed prices down but short-covering on the close rallied the market. Physical business was largely neglected, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1239-40	—10.5	1263-39
July	1257-58	—4.0	1284-59
Sept	1279-80	......	1294-74
Dec	1295-97	+0.5	1310-94
March	1312-13	+1.5	1326-07
May	1324-26	+0.5	1335-22
July	1335-40	+0.5	—

Sales: 3,642 (3,843) lots of 10 tonnes.

ICCO—Daily price for April 21: 86.36 (86.52). Indicator prices for April 22: 86.35 (85.46).

COFFEE

After commission house selling had prompted early losses prices moved higher in thin conditions, reports Drexel Burnham Lambert. Trade resistance and dealer profit-taking around £1,600 basis July dampened the advance slightly, but a steadier tone was maintained, before differentials were distorted during an irregular close.

COFFEE	Yest'day's Close	+ or —	Business Done
May	1765-66	+9.0	1766-50
July	1610-12	+20.5	1615-90
Sept	1537-38	—1.5	1550-30
Nov	1505-06	—2.0	1520-95
January	1471-72	—0.5	1485-64
March	1446-50	+1.5	—
May	1450-55	+4.5	1450-30

Sales: 3,357 (2,058) lots of 5 tonnes.

ICO Indicator prices for April 20 (U.S. cents per pound): Comp. daily 1979 122.82 (123.00); 15-day average 122.52 (122.57).

GRAINS

The market opened 60p down with exception of May barley which was 25p down and was offered at opening levels with barley the weaker of the two commodities. A slight rally at the close took prices from the lowest levels, reports Acli.

	WHEAT		BARLEY	
Mnth.	Yesterd'ys close	+ or —	Yest'd'ys close	+ or —
May	133.60	—0.50	120.60	—0.85
July	135.30	—0.40	—	—
Sep	117.60	—0.85	111.00	—0.85
Nov	120.45	—0.80	114.15	—0.75
Jan	125.40	—0.55	117.55	—0.55
Mar	126.00	—0.75	120.45	—0.85

Business done—Wheat: May 133.80-3.40, July 135.80-5.00, Sept 117.85-7.60, Nov 120.45-20.30, Jan 123.35-3.30, March 126.15-6.00. Sales: 278 lots of 100 tonnes. Barley: May 121.00-20.60, Sept 111.20-1.00, Nov 114.35-4.10, Jan 117.60-7.55, March 120.50-20.40. Sales: 194 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent May 134.75, June 129.25, July 128.00, Aug and Sept 127.00 transhipment east coast sellers. Maize: French May 146 transhipment east coast. Barley: English feed fob Sept 115 quoted. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 127.00, S. West 128.80, N. West 125.50. The UK monetary coefficient for the week beginning Monday April 25 is expected to change to 0.969.

POTATOES

May eased initially, but renewed buying moved the value to £1.50 higher. This level was not sustained although buyers were again active at the close. New crops were less active, mostly showing gains, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
May	64.50	63.50	65.80-61.70
Nov	70.90	73.00	73.20-70.90
Feb	83.50	83.00	84.00-83.80
April	93.50	93.50	95.10-93.50
May	100.50	99.50	101.8-100.0

Turnover: 521 (1,217) lots of 40 tonnes.

RUBBER

The physical market opened easier, drifted lower throughout the day and closed quiet. Lewis and Peat reported a May fob price for No 1 RSS in Kuala Lumpur of 263.0 (268.0) cents a kg and SMR 20 233.0 (234.5).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
May	735-745	758-760	745-740
June	745-755	762-763	747
Jly-Sept	747-748	766-768	756-747
Oct-Dec	752-753	771-772	758-750
JanMch	771-775	790-792	775-770
Apl-Jne	791-795	809-811	797-794
Jly-Sept	813-817	831-833	818-810
Oct-Dec	835-838	852-856	833-832
JanMch	850-857	872-876	—

Sales: 240 (551) lots of 15 tonnes: 8 (4) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 74.00p (76.00p); May 75.00p (77.00p); June 75.50 (77.50p).

SOYABEAN MEAL

The market opened 50p higher on weaker sterling, reports T. G. Roddick. Prices remained within narrow ranges to close at the opening levels.

	Yesterday's close	+ or —	Business Done
	£ per tonne		
April	—	—	—
June	147.10-47.4	+0.85	147.20-47.00
August	148.00-48.4	+0.35	148.50-48.30
October	152.30-52.4	+0.10	153.00-52.20
Dec	157.50-58.0	—0.80	158.70-57.50
Feb	160.00-64.0	—0.25	—
April	160.00-66.0	+0.25	—

Sales: 115 (48) lots of 100 tonnes.

SOYABEAN OIL—The market opened unchanged and remained dull throughout the day. Close (US $ per tonne): April 417.00, 426.00, untraded; June 431.00, 434.00, u/t; Aug 445.50, 447.00, u/t; Oct 454.00, 456.00, 454.00; Dec 462.00, 469.00, u/t; April 482.00, 494.00, u/t. Sales: 8(23) lots of 25 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar £114 (£113) a tonne cif April-May-June shipment. White sugar £145 (£143).

Prices were initially steady but later reports that the Pepsi-Cola company were switching 50 per cent to corn syrup sweetener produced an easier market, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
May	122.20-22.25	121.50-21.60	123.50-20.75
Aug	132.10-32.15	131.50-31.40	133.25-30.50
Oct	140.25-40.40	139.10-39.25	141.50-38.75
Dec	145.75-46.00	144.50-44.75	144.50
March	154.75-54.85	153.25-53.50	155.50-53.00
May	158.75-59.00	157.50-57.75	159.50-58.50

Sales: 2,956 (2,965) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £22.00 (£219.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for April 20: Daily price 6.85 (6.63); 15-day average 6.47 (6.46).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 588.5, 569.0, 570.0-569.0; July 590.5, 591.0, 593.5-590.5; Oct 577.5, 578.0, 580.5-577.5; Dec 588.0, 588.5, 590.0-588.0; Mar 609.0, 610.0, 609.0; May 619.0, 622.0, untraded; July 632.0, 633.0, u/t; Oct 618.0, 630.0, u/t. Sales: 125.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May buyer unquoted, 435, 431-425; Aug 438, 442, 444-438; Oct 440, 444, 445, 441; Dec 443, 447, 448-444; Jan 445, 449, 448-445; March 453, 456, 456-453; May 461, 464, 463-462; Aug 469, 472, 473-470; Oct 474, 478, 480-475. Sales: 221.

COTTON

LIVERPOOL—No spot or shipment sales were registered. Doubts about political manoeuvring made buyers cautious and there was an absence of business worth mentioning. Scattered inquiry, however, was encountered in certain Middle Eastern styles, with Israeli cotton to the fore, while modest interest was shown in specialist African qualities.

INDICES

FINANCIAL TIMES

Apr. 20	Apr. 19	M'th ago	Y'ar ago
269.61	270.71	271.91	245.15

(Base: July 1 1952=100)

REUTERS

Apr. 21	Apr. 20	M'th ago	Y'ar ago
1749.6	1748.5	1752.8	1601.6

(Base: September 18 1931=100)

MOODY'S

Apr. 20	Apr. 19	M'th ago	Y'ar ago
1041.5	1045.7	1032.2	1116.7

(December 31 1931=100)

DOW JONES

Dow Jones	Apr. 20	Apr. 19	Month ago	Year ago
Spot	140.6	141.56	137.32	411.62
Fut'rs	147.06	146.53	145.72	426.70

(Base: December 31 1974=100)

MEAT/FISH

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: shell cod £5.00-5.80, codlings £3.00-5.20; large haddock £5.20, medium £4.40-5.00, small £2.00-3.00; medium plaice £4.00-5.50, best small £3.70-4.60; skinned dogfish (medium) £4.00; lemon sole (large) £7.00, medium £5.50, small £2.50; rockfish £2.00-2.60; saithe £1.40-2.00.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Topaz—Jaffa: 4.30-5.80. Ortaniques—Jamaican: large boxes 9.00. Karas—Spania: 5.40-6.00. Tangors—Jaffa: 6.00-6.50. Oranges—Jaffa: Shamouti 40 5.50, 50 5.80, 60 6.35, 75 6.55, 88 6.65, 105 6.40, 123 6.40, 144 6.00, 168 5.70; Valencia Lates 40 5.50, 50 5.80, 60 6.45, 75 6.65, 88 6.75, 105 6.45, 123 6.40, 144 6.00, 168 4.80; Moroccan: Valencia Lates 5.60-6.40; Cyprus: Valencia Lates 5.00-6.20. Lemons—Cyprus 9-kg 2.60-3.60; Spania: Tray 5-kg 25/50 1.40-2.00; Jaffa: carton 3.00-5.00. Grapefruit—Cyprus: 23/56 2.80-3.80; Jaffa: 27 4.50, 32 4.65, 36 4.95, 40 5.00, 48 5.20, 56 5.20, 64 5.00, 75 4.50, 88 4.35; U.S.: Ruby 7.50-9.00 according to size. Apples—New Zealand: Cox's 10.00-12.50, Gala 9.00-9.50, Red Gala 10.00-10.50; Cape: 18-kg Golden Delicious 8.00-9.20, Starking 8.00-10.00, Granny Smith 10.00-11.00; U.S.: Red Delicious 11.50-14.00; Chilean: Granny Smith 18-kg 8.50-9.20, Red King 8.50-9.20; French: 18-kg Golden Delicious 5.00-5.50, Starkcrimson 4.00-6.00, Granny Smith 6.00-6.60. Pears—Cape: 33-lb Packhams 7.00-8.50, Beurre Bosc 6.50-8.00; Beurre Hardy 7.00-8.00, Comice 33-lb 7.00-11.00, Trays 8-lb 3.50; Chilean: Packhams 28-lb 7.00-7.70; Dutch: Conference 15-kg 7.70; Italian: Passacrassana 12½-lb, per pound 0.12-0.18. Grapes—Cape: Barlinka 4.20-4.40, New Cross 5.40-5.60; Chilean: Thompson 11-lb 5.00-6.50, Ribier 11-lb 4.00, Almeria 6.00. Strawberries—U.S.: 12-oz 0.90-1.00; Spanish: 8-oz 0.25-0.45; Italian: 0.30-0.40. Melons—Brazilian: Yellow 10-kg 7.00-10.00; Chilean: 15-kg White 7.00-8.50, Green 8.00-12.00. Pineapples—Ivory Coast: 20s 0.50, 12's 0.65, 12'B 1.00; Ghanain: Each 0.90-1.20 according to size; Kenyan: 6s .20-1.80; Cape: 5/9s 5.50-6.00. Bananas—Colombian: 40-lb boxes 10.30-10.80. Avocados—Israeli: 3.50-4.50; South African: 4.80-5.00; Kenyan: 4.00. Paw Paws—Brazilian: 6.50-7.00. Kiwifruit—U.S.: 11.50-12.00. Asparagus—U.S.: Per pound 1.60-1.80; Spanish: Per pound 1.00-1.20. Fennel—Italian: 20-lb 6.00. Mangoes—Mexican: Box 8.00-9.00; Kenyan: Box 6.00-7.00; Mali: Box 5.00-6.00. Tomatoes—Canary: 2.60-4.00; Dutch: Tray 5.40. Celery—Spanish: 4.50-6.50; Italian: 5.00-5.50; U.S.: 9.00. Aubergines—Canary: 5-kg 4.00-4.50; Dutch: 5-kg 6.20; Italian: 4-kg 4.50-5.00. Onions—U.S.: 9.00; Canadian: 5.60-6.00; Dutch: 2.60-5.00. Capsicums—Dutch: Yellow 11.50, Green 9.50, Red 9.00; Canary: Green 2.00-7.00, Red 2.00-7.00. Cabbages—Dutch: Red 3.20-3.40, White 3.00-3.20. Spring Cabbage—French: 28-lb 3.40-3.50. Courgettes—Kenyan: 6-lb 2.40; Spanish: 10-lb 3.00; Italian: 11-lb 3.00; Cyprus: 2.40; Moroccan: 3.00; French: 11-lb 3.00. Cucumbers—Dutch: 2.00-2.40. Chicory—Belgian: 5-lb 2.80-3.00. Potatoes—Egyptian: King Edwards 6.00-5.20; Canary: 25-kg mids 7.00, ware 7.00-7.30; Cyprus: 44-lb bag 4.20-5.50.

AMERICAN MARKETS

NEW YORK, April 20.

BECAUSE of the present time difference between the U.S. and Europe, this edition carries American market prices a day late. Normal services will resume on April 25.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	1804	1812	1770	1780
July	1840	1858	1808	1823
Sept	1856	1875	1832	1844
Dec	1880	1903	1856	1878
March	1924	1930	1895	1912
May	1955	1930	1930	1933
July	1980	—	—	1958

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
May	123.78	124.25	123.30	123.86
July	123.80	124.25	123.25	123.79
Sept	121.80	122.20	121.60	121.90
Dec	120.23	120.40	120.15	120.25
March	117.88	118.50	117.86	118.25
May	115.03	115.50	115.50	114.78
July	113.00	113.25	113.25	112.63
Sept	111.50	111.50	111.50	111.28

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
April	76.90	76.80	76.20	76.30
May	77.10	77.20	75.90	76.55
June	77.85	77.80	77.80	77.30
July	78.55	78.70	77.50	78.10
Sept	80.10	80.10	78.75	79.55
Dec	82.00	82.00	80.60	81.40
Jan	82.60	82.20	82.20	82.00
March	83.80	83.90	82.50	83.15
May	85.00	85.00	83.90	84.30
July	86.20	86.00	85.15	85.45

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	71.90	72.64	71.80	72.42
July	72.70	73.69	72.50	73.40
Oct	72.87	73.60	72.95	73.60
Dec	72.90	73.70	72.85	73.73
March	74.02	74.65	73.90	74.60
May	76.50	75.50	75.50	74.70
July	75.30	76.50	75.30	76.70

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
April	438.6	439.5	432.0	433.2
May	440.0	—	—	434.5
June	443.0	443.7	436.4	437.5
Aug	449.7	450.5	443.0	444.1
Oct	456.7	457.5	450.5	451.1
Dec	463.8	464.5	456.5	458.2
Feb	471.2	467.6	465.0	465.6
April	478.7	479.0	473.0	473.1
June	488.2	483.5	482.0	480.6
Aug	493.9	—	—	488.3
Oct	501.8	—	—	496.2
Dec	510.0	508.0	505.5	504.4
Feb	518.5	—	—	512.9

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
May	82.60	82.60	80.95	81.83
June	80.89	80.95	79.55	80.20
July	80.79	80.90	79.40	80.07
Aug	80.98	81.20	79.65	80.43
Sept	81.82	81.80	80.40	81.17
Oct	82.24	82.30	81.60	81.90
Nov	83.30	83.30	82.20	82.85
Dec	84.00	84.00	82.80	83.85
Jan	84.25	83.85	83.85	84.10

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
May	114.55	114.80	114.20	114.45
July	112.95	113.20	112.80	112.95
Sept	111.45	111.75	111.25	111.75
Nov	107.50	107.50	107.00	107.45
Jan	100.50	101.50	100.15	101.50
March	100.50	101.50	100.00	101.50
May	100.50	—	—	101.50
July	100.50	101.00	101.00	101.50
Sept	100.50	—	—	101.50

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
April	422.8	419.0	417.0	414.9
July	430.1	432.5	420.0	422.4
Oct	437.1	438.5	425.0	429.1
Jan	446.1	445.0	439.0	437.6
April	455.6	451.5	448.0	446.1

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
April	1228.0	1235.0	1178.0	1187.0
May	1230.0	1238.0	1175.0	1215.0
June	1239.5	1238.0	1190.0	1225.0
July	1249.6	1257.0	1190.0	1235.0
Sept	1269.0	1277.0	1215.0	1255.0
Dec	1298.0	1302.0	1243.0	1285.0
Jan	1307.5	1295.0	1295.0	1295.0
March	1327.0	1340.0	1273.0	1315.0
May	1348.5	1354.0	1310.0	1335.0
July	1366.0	1346.0	1318.0	1355.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	7.37	7.43	7.25	7.45
July	7.79	7.85	7.63	7.86
Sept	8.15	8.24	8.05	8.23
Oct	8.46	8.51	8.30	8.49
March	9.41	9.45	9.25	9.43
May	9.69	9.72	9.53	9.71
July	9.93	9.95	9.83	9.98
Sept	10.05	10.20	10.20	10.10

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
April	70.20	70.75	69.40	69.42
June	67.05	67.55	66.70	67.12
Aug	64.87	65.67	64.70	65.32
Oct	61.90	62.75	61.85	62.47
Dec	62.37	63.10	62.10	62.87
Feb	62.15	62.80	62.00	62.60

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
April	49.37	49.75	49.05	48.82
June	50.52	51.10	50.35	50.60
July	51.10	51.70	51.00	51.57
Aug	48.42	49.10	48.35	48.85
Oct	44.40	44.90	44.40	44.70
Dec	45.05	45.47	45.05	45.20
Feb	46.60	47.40	46.60	46.72
April	45.45	45.50	45.40	45.50
June	47.25	47.60	47.00	47.25

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
May	305.6	310.0	305.2	310.2
July	310.2	314.6	309.2	314.6
Sept	306.0	308.6	305.4	309.0
Dec	301.4	303.4	300.0	303.0
March	309.0	311.0	308.2	311.2
May	315.4	317.6	315.4	317.4
July	320.4	322.6	320.2	322.2

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
May	69.32	70.30	68.50	69.50
July	68.40	68.95	67.70	67.80
August	65.10	65.75	64.65	64.42
Feb	62.02	62.90	61.80	62.40
March	62.00	62.70	61.90	62.40
May	63.25	63.70	63.15	63.60
July	62.75	63.30	62.65	63.10
August	60.35	60.35	60.35	60.35

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	624.4	628.0	621.4	627.2
July	640.6	644.4	637.0	643.2
August	646.6	650.2	643.2	648.6
Sept	651.6	655.0	649.4	654.4
Nov	663.2	667.0	660.0	666.6
Jan	676.0	680.0	672.4	679.0
March	690.0	693.0	686.0	692.0
May	700.0	710.0	695.4	703.0
July	710.0	713.0	700.0	713.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	186.1	187.5	185.2	186.0
July	188.8	189.9	187.8	189.4
August	190.5	191.2	189.0	191.1
Sept	192.5	193.1	191.0	193.3
Oct	193.7	195.0	192.5	195.3
Dec	198.1	—	197.2	200.0
Jan	200.0	202.0	199.0	201.5
March	205.0	205.0	204.0	206.0
May	208.0	208.5	208.0	209.0
July	209.8	—	—	211.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
May	18.88	18.78	18.81	18.76
July	19.03	19.12	18.96	19.11
August	19.21	19.31	19.16	19.31
Sept	19.37	19.50	19.35	19.50
Oct	19.57	19.65	19.50	19.66
Dec	19.97	20.02	19.90	20.04
Jan	20.13	20.23	20.10	20.20
March	20.50	20.50	20.50	20.52
May	20.80	—	—	20.83
July	21.10	—	—	21.15

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	340.4	341.4	338.2	341.0
July	352.6	353.2	349.4	352.2
Sept	364.0	364.2	361.0	364.0
Dec	379.6	380.0	376.4	379.4
March	392.4	393.0	389.6	392.2
May	396.6	399.0	396.0	398.0

SPOT PRICES—Chicago loose lard 17.75 (same) cents per pound. New York tin 626.0-36.0 (618.0-30.0) cents per pound. Handy and Harman silver bullion 1181.0 (1225.0) cents per troy ounce.

FT LONDON SHARE INFORMATION SERVICE

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"Shorts" (Lives up to Five Years)

Five to Fifteen Years

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1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c	250	......	Q25c	10.3	6.0
21	16	Wankie Col. Z$1	20	......	Q5c	♦	15.4
28	18	Zam.Cpr.SBD0.24	22	+1	—	—	—

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♦ACM 20c	19½	+½	—	—	—
14	6	♦Argosy Gold NL 25c	7	−½	—	—	—
25	11	Balmoral Resources	19	......	—	—	—
60	42	♦Black Hill Mins.	49	+1	—	—	—
74	52	♦Bond Corp.	59	+2½	♦Q10c	2.3	10.4
154	116	♦Bougainville 1 Kina	151	+5	Q3.42c	1.2	1.4
295	214	♦CRA 50c	295	+15	Q3c	—	0.6
145	60	♦Carr Boyd 20c	90	......	—	—	—
35	18	♦Central Pacific	24	+1	—	—	—
320	210	♦Crusader Oil	275	......	—	—	—
15	8	♦Cultus Pac NL	10½	+½	—	—	—

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

IRISH

OPTIONS

3-month Call Rates

Courtaulds	8½	Nat. West Bank	50		
Debenhams	12	P & O Dfd.	14	Burmah Oil	18
Distillers	22	Plessey	50	Charterhall	5
Dunlop	6	Racal Elect.	45	KCA	8
Eagle Star	35	R.H.M.	6	Premier	4
F.N.F.C.	4½	Rank Org. Ord.	17	Shell	45
Gen. Accident	40	Reed Intnl.	28	Tricentrol	19
Gen. Electric	22	Sears	9	Ultramar	40
Glaxo	90	T.I.	16	Mines	
Grand Met.	32	Tesco	14		
G.U.S. 'A'	55	Thorn EMI	50	Charter Cons.	28
Guardian	42	Trusthouse	20	Cons. Gold.	50
G.K.N.	15	Turner & Newall	4½	Lonrho	8½
Hawker Sidd.	34	Unilever	80	Rio T. Zinc	55

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound lose ground

The dollar and sterling weakened against other major currencies after a fairly active morning on the foreign exchanges, but a quieter afternoon.

Intervention by the Bundesbank, and the U.S. Federal Reserve on behalf of the German central bank, appears to have brought the steady decline of the D-mark to an end, although attention switched back towards the dollar late in the day, with the U.S. currency finishing near its best levels of the day. This followed a report that tension in the Middle East had increased, and that Syrian troops on the Israeli border were on full alert.

Sterling remained soft, losing ground to the dollar, Japanese yen and European currencies.

DOLLAR — Trade-weighted *index (Bank of England) 122.6* against 124.9 six months ago. The dollar has been firm during a period of extreme uncertainty about oil prices and the recent upheaval in the EMS. U.S. interest rates have not fallen as once expected, and although better money supply figures have led to renewed hopes, future trends remain obscure.

The dollar fell to DM2.4555 from DM2.4590 against the D-mark; to FFr 7.3625 from FFr 7.3725 against the French franc; to SwFr 2.0630 from SwFr 2.0670 in terms of the Swiss franc; and to Y236.40 from Y237.25 against the Japanese yen.

STERLING—Trading range against the dollar in 1983 *is* 1.6245 to 1.4540. March average 1.4902. Trade-weighted index 83.1 against 83.0 at noon, 83.1 at the opening, 83.6 on Wednesday, and 92.7 six months ago. Sterling has benefited from hopes of a period of oil stability *following the Opec settlement* and acceptance of price proposals by BNOC's major customers.

Sterling opened at $1.5430-1.5440, and traded within a narrow range of $1.5410 to $1.5500, touching its peak in the morning, before closing at $1.5430-1.5440, a *fall of 60 points* on the day.

The pound also fell to DM 3.7925 from DM 3.8125; to FFr 11.36 from FFr 11.4225; to SwFr 3.1875 from SwFr 3.2050; and to Y365 from Y368.

D-MARK—Trading range against the dollar in 1983 is 2.4950 to 2.3320. March average 2.4102. Trade weighted index 129.8 against 126.7 six months ago. German economic strength *and low inflation compared with* many of its neighbours have once again caused strains within the EMS. Following the latest realignment and initial profit taking, the D-mark has room for appreciation as it is currently placed at the bottom of the system.

The D-mark was a little firmer within the EMS yesterday. Only the Danish krone *was fixed at its* official ceiling with the D-mark a little firmer against the French franc and Irish punt. The dollar slipped to DM 2.4528 from DM 2.4595 as the market remained unsure as to future U.S. interest rate trends. The Bundesbank was again active supporting the D-mark, selling $51.8m at the fixing alone.

FRENCH FRANC — *Trading* range against the dollar in 1983 is 7.3725 to 6.6060. March average 7.0172. Trade weighted index 70.4 against 73.2 six months ago. The French franc is now placed near the top of the EMS after the realignment, allowing the authorities to lower interest rates a litle. Although unpopular domestically, the latest package of austerity measures should help reduce France's sizeable current account and budget deficits.

The French franc showed little overall change within the EMS yesterday. The D-mark rose to FFr 2.9997 from FFr 2.9985 while the Belgian franc eased to FFr 15.0420 per BFr 100 from FFr 15.0460. The dollar was down from Wednesday's fixing of FFr 7.3775 to FFr 7.3580 while sterling eased to FFr 11.3505 from FFr 11.4700.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	45.0529	+1.55	+0.60	±1.5430
Danish Krone ...	8.04412	8.02082	−0.29	−1.24	±1.6419
German D-Mark	2.21515	2.25882	+1.97	+1.02	±1.0567
French Franc ...	6.79271	6.77498	−0.26	−1.21	±1.4018
Dutch Guilder ...	2.49587	2.54354	+1.91	+0.96	±1.4941
Irish Punt	0.71705	0.715170	−0.26	−1.21	±1.6696
Italian Lira	1386.78	1345.78	−2.96	−2.96	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Apr. 21	£	$		£ Note Rates
Argentina Peso .	111,291-111,491	72,120-72,170	Austria..........	26.50-26.80
Australia Dollar..	1.7740 1.7760	1.1500-1.1505	Belgium......	75.85-76.60
Brazil Cruzeiro .	679.90 683.90	440.55 442.75	Denmark......	13.40-13.53
Finland Markka..	8.3890-8.4125	5.4400-5.4420	France........	11.32-11.42
Greek Drachma..	127.662 130.896	83.85-84.15	Germany.......	3.77¼-3.81¼
Hong Kong Dollar	10.51½-10.55½	6.82-6.83	Italy	2230-2260
Iran Rial.	132.10*	85.10*	Japan.	364 369
KuwaitDinar KD	0.4495 0.4505	0.2914-0.2915	Netherlands	4.24½-4.28½
Luxembourg Fr..	75.40-75.50	48.87-48.89	Norway	10.96-11.08
Malaysia Dollar..	3.5610-3.5660	2.3055 2.3075	Portugal..	150-170
New Zealand Dlr.	2.3370 2.3420	1.5150-1.5175	Spain..............	201¼-216¾
Saudi Arab. Riyal	5.3250-5.3305	3.4500 3.4510	Sweden.	11.53-11.63
Singapore Dollar	3.2395 3.2445	2.0980 2.1000	*Switzerland*	3.17¼-3.20¼
Sth.African Rand	1.6880 1.6885	1.0935 1.0940	United States....	1.53¼-1.55¼
U.A.E. Dirham..	5.6665 5.6730	3.6715-3.6730	Yugoslavia......	120-137

* Selling rates.

CURRENCY MOVEMENTS

Apr. 21	Bank of England Index	Morgan Guaranty Change %
Sterling......................	83.1	−37.4
U.S. dollar.	122.6	+12.0
Canadian dollar....	90.8	−17.2
Austrian schilling..	121.0	+30.6
Belgian franc	94.1	−1.7
Danish kroner	84.1	−10.3
Deutsche mark.	129.8	+57.4
Swiss franc..........	150.9	+106.7
Guilder................	118.0	+25.8
French franc	70.4	−23.1
Lira	51.9	−59.3
Yen......................	147.0	+40.4

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 21	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.700940	0.596979
U.S. $	8½	1.08176	0.921139
Canadian$...	9.49	*	1.13346
Austria Sch	3¾	18.6571	15.8897
Belgian F ...	10	52.9359	45.0529
Danish Kr ...	7½	9.43078	8.02082
D mark	4	2.65334	2.25882
Guilder	3½	2.98782	2.54354
French F......	9¼	7.95959	6.77498
Lira	17	1580.72	1345.78
Yen	5½	256.053	217.757
Norwgn Kr...	9	7.72160	6.57970
Spanish Pta	—	147.176	125.413
Swedish Kr	8½	8.11320	6.90025
Swiss Fr	4	2.23037	1.89855
Greek Dr'ch	20½	90.9760	77.3020

*C$/SDR rate for April 20: 1.33419.

THE POUND SPOT AND FORWARD

April 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5410-1.5500	1.5430-1.5440	0.17-0.12c pm	1.13	0.40-0.36 pm	0.97
Canada	1.8970-1.9030	1.8980-1.8990	0.20-0.10c pm	0.96	0.42-0.32 pm	0.78
Nethlnd.	4.25½-4.28	4.26½-4.27½	2-1½c pm	4.92	5½-4⅞ pm	4.80
Belgium	75.30-75.85	75.40-75.50	3c pm-7 dis	−0.32	par-10 dis	−0.26
Denmark	13.42-13.48	13.45½-13.46½	2½-3¾ore dis	−2.39	6½-7½ dis	−2.02
Ireland	1.1950-1.2010	1.1990-1.2000	0.51-0.65p dis	−5.80	1.32-1.53dis	−4.75
W. Ger.	3.78-3.81	3.78¾-3.79¾	2-1½pf pm	5.54	5⅞-4⅞ pm	5.14
Portugal	150.50-153.00	151.50-152.50	365-1500c *dis*	−73.62	650-2205dis	−37.56
Spain	209.75-210.50	209.85-210.05	145-275c dis	−12.00	415-600 dis	−9.67
Italy	2,253-2,259	2,256-2,258	8½-11½lire dis	−5.32	32½-36½ dis	−6.11
Norway	11.00-11.04	11.03-11.04	2⅞-3⅞ore dis	−3.13	8-9¼ dis	−3.10
France	11.33½-11.37½	11.35½-11.36½	1½-2½c dis	−2.11	7½-8½ dis	−2.82
Sweden	11.54-11.59	11.56-11.57	¾-1ore dis	−0.71	1½-2¼ dis	−0.65
Japan	363½-367½	364½-365½	1.35-1.15y pm	4.11	3.60-3.40 pm	3.83
Austria	26.55-26.70	26.60-26.65	12¾-10¼gro pm	5.04	34-29¾ pm	4.75
Switz.	3.17½-3.20½	3.18¾-3.19¾	1⅞-1⅝c pm	6.12	4⅞-4⅝ pm	5.80

Belgian rate is for convertible francs. Financial franc 75.95-76.05. Six-month forward dollar 0.62-0.57c pm. 12-month 0.73-0.63c pm.

THE DOLLAR SPOT AND FORWARD

April 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5410-1.5500	1.5430-1.5440	0.17-0.12c pm	1.13	0.40-0.35 pm	0.97
Ireland†	1.2840-1.2895	1.2870-1.2880	0.75-0.65c pm	6.53	1.88-1.73 pm	5.61
Canada	1.2300-1.2315	1.2300-1.2305	*0.01c pm-0.02 dis*	−0.05	0.03-0.06dis	−0.15
Nethlnd.	2.7575-2.7670	2.7640-2.7660	0.87-0.77c pm	3.57	2.65-2.55 pm	3.77
Belgium	48.63-48.97	48.87-48.89	5-7c dis	−1.47	14-17 dis	−1.27
Denmark	8.6870-8.7375	8.7275-8.7375	1¼-1¾ore dis	−2.06	5-5½ dis	−2.41
W. Ger.	2.4480-2.4580	2.4550-2.4560	0.92-0.87pf pm	4.37	2.60-2.55 pm	4.19
Portugal	97.50-99.20	98.20-99.20	265-985c dis	−76.59	485-1535dis	−40.93
Spain	135.85-136.30	135.90-136.00	120-170c dis	−12.77	340-400dis	−10.87
Italy	1,461-1,463	1,462-1,463	8½-9½lire dis	−7.38	26-28 dis	−7.38
Norway	7.1360-7.1475	7.1375-7.1475	2-3ore dis	−4.20	6¾-7¾ dis	−4.06
France	7.3450-7.3850	7.3600-7.3650	2.00-2.20c dis	−3.43	7.00-7.40dis	−3.91
Sweden	7.4850-7.4875	7.4850-7.4850	1-1½ore dis	−2.00	2.80-3.30dis	−1.63
Japan	235.80-236.80	236.35-236.45	0.60-0.56y pm	2.92	1.73-1.65 pm	2.86
Austria	17.23-17.26	17.25-17.26	5.90-5.10gro pm	3.83	17.50-15.00pm	3.77
Switz.	2.0565-2.0670	2.0625-2.0635	*0.86-0.81c pm*	4.86	*2.58-2.53 pm*	4.95

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 49.20-49.30.

EXCHANGE CROSS RATES

Apr. 21	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.554	3.793	365.0	11.36	3.188	4.270	2257.	1.899	75.45
U.S. Dollar	0.648	1.	2.457	236.5	7.360	2.065	2.766	1462.	1.230	48.88
Deutschemark	0.264	0.407	1.	96.24	2.996	0.840	1.126	595.1	0.501	19.89
Japanese Yen 1,000	2.740	4.229	10.39	1000.	31.12	8.733	11.70	6184.	5.201	206.7
French Franc 10	0.880	1.359	3.338	321.3	10.	2.806	3.759	1987.	1.671	66.42
Swiss Franc	0.314	0.484	1.190	114.5	3.564	1.	1.340	708.1	0.596	23.67
Dutch Guilder	0.234	0.361	0.888	85.48	2.660	0.746	1.	528.6	0.445	17.67
Italian Lira 1,000	0.443	0.684	1.680	161.7	5.033	1.412	1.892	1000.	0.841	33.43
Canadian Dollar	0.527	0.813	1.998	192.3	5.984	1.679	2.249	1189.	1.	39.74
Belgian Franc 100	1.325	2.046	5.027	483.8	15.06	4.225	5.659	2991.	2.516	100.

FINANCIAL FUTURES

Quiet trading

Trading was rather lacklustre in the *London International* Financial Futures Exchange yesterday. Business was confined to a fairly narrow range in most contracts as the market showed signs of settling into a period of consolidation. Sterling based contracts showed little reaction to the latest PSBR figures or signs of an economic upturn as seen in yesterday's cyclical indicators. *Dealers noted a very static cash* market and little change in sterling at its slightly lower levels. An inability to point to any particular trend in values was exacerbated by the possibility of an early general election which continued to overhang the market.

In *otherwise* dull trading, dealers noted a small narrowing *in the September/December* spread in the gilt sector as long and medium dated issues failed to move in unison. Volume in these two contracts totalled only 48 lots, however, with the bulk of the day's trading centred on the June contract. Here the price opened at 105-02 and traded between a high of 105-12 and a low of 104-31 before finishing at 105-06, hardly changed from Wednesday's close of 105-08.

With little activity in sterling based contracts, eyes turned to the Euro-dollar sector where despite a reasonable volume there was again little fresh news to motivate the market. Trading was confined mostly to local business with little incentive provided by the opening of trading in Chicago. The June price opened at 90.91 up from 90.88 on Wednesday and traded in a 7 point range before finishing at 90.86. In the currency pit trading picked up in the yen sector as the Japanese unit broke through important chart points to finish at 42.49 for June delivery up from 42.36. Lots traded amounted to 410.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.86	90.92	90.85	90.88
Sept	90.59	90.65	90.59	90.62
Dec	90.35	90.39	90.35	90.35
March	90.13	90.13	90.13	90.10
June	89.95	89.95	89.95	90.00

Volume 1,137 (2,055)
Previous day's open int 4,026 (0,068)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	90.21	90.25	90.18	90.25
Sept	90.33	90.35	90.30	90.38
Dec	90.34	90.34	90.32	90.39
March	90.20	90.20	90.20	90.25
June	90.09	90.12	90.09	90.10

Volume 466 (611)
Previous day's open int 3,456 (3,419)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	105-06	105-12	104-31	105-08
Sept	104-23	104-29	104-20	104-26
Dec	107-00	107-03	106-28	107-02
March	106-26	106-26	106-26	106-28
June	—	—	—	—

Volume 991 (1,378)
Previous day's open int 2,799 (2,687)
Basis quote (clean cash price of 15¼% Treasury 1998 less equivalent price of near futures contract) 8 to 16 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.5425	1.5430	1.5400	1.5480
Sept	1.5395	1.5395	1.5385	1.5450
Dec	1.5365	1.5365	1.5365	1.5460

Volume 329 (604)
Previous day's open int 1,298 (1,131)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.4100	0.4103	0.4095	0.4091
Sept	0.4144	0.4144	0.4142	0.4136
Dec	—	—	—	—

Volume 77 (82)
Previous day's open int 363 (377)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4880	0.4880	0.4872	0.4869
Sept	0.4940	0.4940	0.4940	0.4930
Dec	—	—	—	—

Volume 31 (7)
Previous day's open int 421 (419)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4249	0.4250	0.4239	0.4236
Sept	0.4282	0.4282	0.4282	0.4268
Dec	—	—	—	—

Volume 410 (13)
Previous day's open int 558 (558)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	77-16	77-25	77-12	77-24
Sept	76-30	77-07	76-27	77-06
Dec	76-15	76-23	76-12	76-23
March	76-02	76-10	75-30	76-10
June	75-20	75-30	75-20	75-31
Sept	75-12	75-19	75-12	75-22
Dec	75-03	75-11	75-03	75-14
March	74-29	75-04	74-29	75-07
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.70	91.79	91.68	91.79
Sept	91.41	91.47	91.39	91.47
Dec	91.22	91.26	91.19	91.24
March	91.00	91.05	91.00	91.06
June	90.84	90.84	90.82	90.85
Sept	—	—	90.66	90.67
Dec	90.48	90.48	90.48	90.50
March	90.33	90.33	90.33	90.34

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.12	91.22	91.09	91.18
Sept	90.77	90.86	90.75	90.82
Dec	90.53	90.55	90.48	90.52

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.56	90.67	90.53	90.62
Sept	90.28	90.35	90.26	90.32
Dec	90.04	90.08	90.01	90.07
Feb	—	—	—	—
March	89.94	89.96	89.84	89.86

STERLING (IMM) $s per £

	Latest	High	Low	Prev
June	1.5450	1.5465	1.5400	1.5470
Sept	1.5430	1.5440	1.5390	1.5450
Dec	1.5420	1.5430	1.5380	1.5445
March	—	—	—	1.5465
June	—	—	—	—
Sept	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	70-20	70-25	70-17	70-25
Sept	69-31	70-04	69-28	70-02
Dec	69-14	69-17	69-12	69-16
March	68-31	69-01	68-30	69-01
June	68-17	68-19	68-16	68-18
Sept	68-06	68-06	68-05	68-04
Dec	67-27	67-27	67-27	67-26
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

Authorised Units—continued

[illegible]

Insurances—continued

[illegible]

Offshore and Overseas—continued

[illegible]

Amer Tst $11.20 11.77 .... —
Perpetual U.T. Managers (Jersey) Ltd
PO Box 459, St Helier, Jersey. 0534 74517
Offshr Grth £1.068 1.134 .... 2.00
Rothschild Asset Management (C.I.)
St Julian's Ct. St Peter Port, Guernsey. 0481 26741
OC International Reserves Ltd
Bel Francs BFr834.70 +0.23 10.89
Canadian $ C$35.87 +0.005 7.55

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda
T-G Am [illegible]
T-G Money [illegible]
T-G F'bond [illegible]
T-G Com [illegible]
T-G Mort [illegible]
T-G O'seas [illegible]
T-G Pacific [illegible]
T-G Wall St [illegible]

MONEY MARKETS

London rates remain steady

UK clearing bank base lending rates 10 per cent (since April 15 and 18)

Interest rates were little changed again in quiet London money market trading. The Bank of England forecast a money market shortage of £450m, but this was revised to £500m in the afternoon. Total help provided during the day was £474m, through outright purchases of bills at unchanged dealing rates.

Before lunch the authorities bought £320m bills by way of £74m bank bills in band 1 (up to 14 days maturity) at 10 1/16 per cent; £1m local authority bills in band 2 (15-33 days) and £140m bank bills in band 2 at 10 per cent; £5m local authority bills in band 3 (34-63 days) and £18m bank bills in band 3 at 9 15/16 per cent; and £82m bank bills in band 4 (64-84 days) at 9⅞ per cent.

In the afternoon the Bank of England bought another £154m bills outright, through purchases of £2m local authority bills in band 1 at 10 1/16 per cent; £12m bank bills in band 1 at 10 1/16 per cent; £74m bank bills in band 2 at 10 per cent; £21m bank bills in band 3 at 9 15/16 per cent; and £45m bank bills in band 4 at 9⅞ per cent.

Major factors draining funds from the market yesterday were: bills maturing in official hands and a take-up of bills from Friday's Treasury bill tender of £324m, plus Exchequer transactions of £100m.

Overnight money opened at 10¼-10½ per cent in the interbank market, and traded within a narrow range of 10 per cent to 10½ per cent for most of the day before closing at 5 per cent.

In Copenhagen the Danish National Bank cut its discount rate by 1 per cent to 7½ per cent. This was the second reduction in a month, *following* the cut of 1½ per cent to 8½ per cent on March 21 after the realignment of the European Monetary System.

In Frankfurt the Bundesbank left its credit policies unchanged at the regular council meeting.

As expected, the discount and Lombard rates remain at 4 per cent and 5 per cent respectively. Overnight money rose slightly to 4.95 per cent from 4.85 per cent, reflecting the recent success of the authorities in draining domestic liquidity by currency repurchase agreements.

In Paris call money eased to 12¾ per cent from 12⅞ per cent.

LONDON MONEY RATES

Apr. 21 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight.......	—	5-10½	10-10¼	—	—	10-10½	9-10¼	—	—	—
2 days notice ..	—	—	10⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice ..	—	10¼-10½	10⅛	—	—	10⅝-10¾	10-10⅛	—	—	—
One month.......	10⅜-10 5/16	10¼-10⅜	10¼	11-10¾	10½	10¾	10-10⅛	10-10 1/16	10 1/16-10 1/16	10 11/16
Two months ...	10 5/16-10 3/16	10¼-10⅜	10⅛	10¾-10⅜	10⅜	10⅝	9⅞	9 15/16-9 31/32	9 15/16-9 31/32	10 9/16
Three months.	10¼-10⅛	10¼-10⅜	10⅛	10⅝-10¼	10 5/16	10⅜	9¾	9⅞	9⅞	10½
Six months.....	10 3/16-10 3/32	10 3/16-10 5/16	10⅛	10⅜-10	10 5/16	—	—	—	9 13/16	10 7/16
Nine months ...	10 3/16-10 1/32	10⅛-10¼	10⅛	10⅛-10⅛	10¼	—	—	—	—	—
One year	10 1/16-10	10⅛-10¼	10⅛	10⅛-10⅛	10¼	—	—	—	—	—
Two years	—	—	10⅛	—	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average Rate for interest period March 2 to April 5 1983 (inclusive): 10.974 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅝ per cent; four years 10¾ per cent; five years 11 per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 9 27/32-9 13/16 per cent four months trade bills 10 11/32 per cent.

Approximate selling rate for one month Treasury bills 9 31/32-10 per cent; two months 9 27/32 per cent; and three months 9 27/32 per cent. Approximate selling rate for one month bank bills 10-10 1/32 per cent; two months 9 31/32 per cent and three months 9¾-9 25/32 per cent; trade bills one month 10 7/16 per cent; two months 10 11/32 per cent and three months 10¼ per cent.

Finance Houses Base Rates (published by the Finance *Houses Association*) 11½ *per cent from April* 1 1983. *London* and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 6¾ per cent.

Treasury Bills: Average tender rates of discount 9.7566 per cent. Certificates of Tax Deposits (Series 6). Deposits of £100,000 and over held one month 10½ per cent; one-three-months 10¾ per cent; three-six months 10⅝ per cent; six-12 months 10¾ per cent. Under £100,000 10 per cent from April 8. Deposits held under Series 3-5 10⅝ per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Apr. 21	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling........	10 5/16-10 7/16	10 5/16 10 7/16	10⅜-10½	10¼-10⅜	10 3/16-10 5/16	10⅛-10¼
U.S. Dollar....	8¾-9	8¾-9	8 13/16 9 1/16	9 1/16-9 3/16	9¼-9½	9⅜-9⅝
Can. Dollar....	8-9	8½-9½	9 1/16-9 5/16	9¼-9½	9⅜-9⅝	9⅝ 9⅞
D. Guilder.....	5½-5¾	5-5¼	5 5/16-5 7/16	5 5/16-5 7/16	5⅜-5½	5¾-5⅞
S. Franc........	3⅛-3⅝	7½-7¾	4½-4⅝	4⅜-4½	4¼-4⅜	4¼-4⅜
Deutschm'rk	4⅝-4¾	4 13/16-4 15/16	4 13/16-4 15/16	4 13/16-5 1/16	5 1/16-5 3/16	5⅜-5½
Fr'nch Franc	12¼-12½	12⅞-12⅜	12¼-12¾	13⅛-13⅜	14½-15	15¼-16½
Italian Lira....	16½-17½	15-16½	16-17½	16¼ 17½	17½-17⅞	18-18⅞
Belg. Franc..						
Conv.........	10-10½	10-10¾	10-10½	10-10½	10-10½	10½-11
Fin............	10-10½	10¼-10½	10¼-10½	10¼-10½	10⅜-10⅝	10⅜-10⅝
Yen	6-6½	6 5/16-6 7/16	6 5/16-6½	6 5/16-6¼	6¼-6⅜	6 5/16-6½
D. Krone........	12½-13	12⅝-13⅛	11⅝-12⅛	11⅞-12⅜	11⅞-12⅜	12-12½
Asia $ (Sing.)	8⅞-9	9-9⅛	9 1/16-9 3/16	9⅛-9¼	9¼-9⅜	9 5/16-9 7/16

FT LONDON INTERBANK FIXING
(11.00 a.m. APRIL 21)

3 month U.S. dollars		6 months U.S. dollars	
bid 9 5/16	offer 9 5/16	bid 9 5/16	offer 9 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	10½
Fed funds (lunch-time)....	8¾-9
Treasury bills (13-week)	8.11
Treasury bills (26-week)	8.28

GERMANY

Lombard	5.0
Overnight rate	4.95
One month	5.05
Three months	5.20
Six months	5.25

FRANCE

Intervention rate	12.5
Overnight rate..............	12.6
One month	12.5625
Three months	12.1875
Six months	12.1875

JAPAN

Discount rate	5.5
Call (unconditional) ...	6.15625
Bill discount (3-month)	6.71875

SWITZERLAND

Discount rate	4
Overnight rate	3-4
One month	4⅝-4¾
Three months	4 11/16-4 13/16

NETHERLANDS

Discount rate	3½
Overnight rate	5¼-5⅜
One month	5½-5⅝
Three months	5½-5⅝
Six months	5½-5⅝

$ CERTIFICATES OF DEPOSIT

One month	8.70-8.80
Three months	8.75-8.85
Six months	8.85-8.95
One year	9.20-9.40

LONG TERM EURO $

Two years	10⅜-10½
Three years	10⅝-10⅞
Four years	11-11⅛
Five years	11¼-11½

SDR LINKED DEPOSITS

One month	8 5/16-8 9/16
Three months	8¼-8½
Six months	8 5/16-8 23/32
One year	8 21/32-8 7/16

ECU LINKED DEPOSITS

One month	8 5/16-8 9/16
Three months	8 7/16-8 21/32
Six months	8 21/32-8 25/32
One year	8 5/16-8 9/16

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday April 20 1983. The exchange rates listed *are middle rates between buying and selling rates as quoted between* banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
[illegible]	[illegible]	[illegible]
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	7.3715
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	40.7032
Guinea Rep	Syli	22.8357
Guyana	Dollar	2.9996
Haiti	Gourde	5.00
Honduras Rep	Lempira	2.00
Hong Kong	Dollar	6.826
[illegible]	[illegible]	[illegible]
Peru	Sol	1506.74
Philippines	Peso	9.911
Pitcairn Is.	N.Z. Dollar	1.5184
Poland	Zloty (O)	86.85
Portugal	*Escudo*	98.10
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	7.3715
[illegible]	[illegible]	[illegible]

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Jamaica: two-tier FX rate exists. (2) Paraguay operates a two-tier system. (3) Sierra Leone: (o) for essential imports. [illegible] (6) Mexico: Controlled rate covering imports, exports and some debt repayments. (7) Venezuela: three-tier system. [illegible] (8) Venezuela—Non-essential import rate. (9) Venezuela: Floating rate for tourists. (10) Ecuador devalued by 21 per cent.